


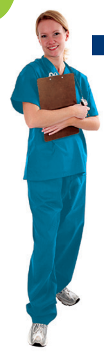

developing Australia's employment future

Financial Statements
For the year ended 30 June 2012

Contents

nesa
national employment services association

Directors' Report For the Year Ended 30 June 2012

Your directors present their report on the company for the financial year ended 30 June 2012.

Directors

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

Names	
Stephen Creese	
Julie Graham	
Jules Vandyke	Retired 24 November 2011
Andrew Hills	
Katrina Spies	
Peter White	
John Perry	Appointed 4 August 2011
Nicole Brouwers	Appointed 24 November 2011

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 influence the continuous improvement of Employment Services policy and programmes.
- To effectively represent members through strong engagement especially in regional and remote areas.
- To enhance the development of the industry's personnel through the establishment of the Employment Services Professional Recognition Framework
- To further develop the Employment Services Industry Standards

The entity's short 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 partnerships

Directors' Report
For the Year Ended 30 June 2012

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 2012	Benchmark 2012	Actual 2011	Benchmark 2011
Number of new members	11	5	10	5
Number of continuing members	134	150	164	170
Number of individual members participating in Professional Development workshops	1,660	1,430	1,532	1,552
Number of individual members participating in NESA conferences	693	900	811	700
Number of government and stakeholder forums at which NESA was represented	134	100	N/A	N/A
Operational and financial				
Proportion of funding provided by	$	$	$	$
Government Project Funding	272,700	272,700	272,700	272,700
Membership fees	635,800	659,200	598,500	630,100
Member events	1,700,300	2,037,200	1,607,100	1,534,700
Investments	52,800	41,400	35,500	34,700
Proportion of funding spent on:				
Member events	966,600	1,334,000	905,300	910,900
Personnel	1,223,000	1,241,400	1,122,500	1,098,600
Administration	486,200	460,800	451,400	479,400
Staff and volunteers				
Proportion of staff with 5+ years industry experience	73%	75%	75%	75%
Proportion of staff retained by NESA for 5+ years	60%	64%	36%	36%

Directors' Report
For the Year Ended 30 June 2012

Information on Directors

Stephen Creese

Qualifications	Bachelor of Law (Hons) and Bachelor of Arts
Experience	Functional experience in legal, commercial, finance project management, company secretarial and public affairs. 29 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. Joined Newcrest Mining Limited at the end of 2009 and since July 2012 responsibilities as EGM Corporate Affairs include government relations media and community affairs.
Special Responsibilities	Independent Chair of NESA; Convenor/Chair – NESA Nominations and Successions Committee; Executive General Manager, Corporate Affairs – Newcrest Mining; Part-time member of the Australian Takeovers Panel;

Julie Graham

Qualifications	Graduate Certificate in Case Management and Client Services Graduate Diploma in Human Resource Management
Experience	20 years senior management positions including 9 in hospitality and 9 in employment services industry and Board member – Geelong Region Vocational Education Council – 3 years Committee Member.
Special Responsibilities	Chair of the Audit & Risk Management Committee

Jules Vandyke

Retired: 24 November 2011

Qualifications	Certificate IV Employment Services; Sydney Leadership Program 2008; Graduate Certificate Training (Action Learning); AICD Company Directors Course Diploma; AICD - Advanced Diploma 2010
Experience	Director NESA since 2004, Executive Director Leichhardt Community Youth Association Trading as InnerSkill since 1989-2010 22 Years Management experience at CEO level Currently NSW State Manager Communicare Inc 2010-Current
Special Responsibilities	Deputy Chair 2007-2008 Chair Nominations and Succession Committee 2007-2009

Andrew Hills

Experience	15 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

Directors' Report
For the Year Ended 30 June 2012

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

Peter White

Qualifications	Advanced Diploma of Management Advanced Diploma of Business Vocational Graduate Certificate in Career Development Practice
Experience	Peter has been a director of Employment Innovations Victoria Pty Ltd for the past 15 years
Special Responsibilities	Member of the Audit & Risk Management Committee Member of the Australian Institute of Company Directors

John Perry Appointed: 4 August 2011

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 35 Years experience in education, training and employment industry in Government and non-Government sectors.
Special Responsibilities	Member of the Audit and Risk Management Committee

Nicole Brouwers Appointed: 24 November 2011

Qualifications	B.App.Sc.(OT) MBA
Experience	20 years working with people with injury / illness or disability and supporting them to gain / remain in work
Special Responsibilities	Member of Nominations and Successions Committee

Directors' Report
For the Year Ended 30 June 2012

Directors meetings

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Stephen Creese	8	7
Jules Vandyke	3	3
Julie Anne Graham	8	8
Andrew Hills	8	8
Katrina Spies	8	7
Peter White	8	8
John Perry	8	7
Nicole Brouwers	5	5

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:.. Director:..

Dated this 5th day of October 2012

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 2012 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: 5 October 2012

20 Albert Street / PO Box 256
Blackburn Victoria 3130
T: 03 9894 2500 F: 03 9894 1622
contact@youraccountant.com.au

Statement of Comprehensive Income For the Year Ended 30 June 2012

	note	2012	2011
		$	$
REVENUE	3	**2,948,525**	2,941,431
Employee benefits expense		**(1,147,882)**	(1,027,987)
Depreciation, amortisation and impairments	4	**(47,047)**	(53,568)
Direct event expense		**(1,004,382)**	(1,054,099)
Rental expense		**(130,643)**	(130,365)
Travel expense		**(112,137)**	(76,357)
Consultancy expense		**(31,206)**	(14,220)
IT expense		**(48,024)**	(45,291)
Project expenses		**(113,300)**	(224,069)
Other expenses		**(220,407)**	(249,157)
Surplus/(deficit) before income tax		**93,497**	66,318
Income tax expense	5	-	-
Surplus/(deficit) for the year		**93,497**	66,318
Other comprehensive income		-	-
Total comprehensive income for the year		**93,497**	66,318

Statement of Financial Position
For the Year Ended 30 June 2012

	note	2012	2011
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	8	**144,267**	288,672
Trade and other receivables	9	**479,297**	205,174
Financial assets	10	**429,817**	429,817
Other current assets	11	**211,057**	153,394
Total current assets		**1,264,438**	1,077,057
Non-current assets			
Property, plant and equipment	12	**11,015**	17,051
Intangible assets	12	**81,806**	119,029
Total non-current assets		**92,821**	136,080
TOTAL ASSETS		**1,357,259**	1,213,137
LIABILITIES			
Current liabilities			
Trade and other payables	13	**229,242**	215,910
Short-term provisions	14	**179,843**	162,448
Other current liabilities	15	**199,661**	218,503
Total current liabilities		**608,746**	596,861
Non-current liabilities			
Other long-term provisions	14	**45,706**	6,966
Total non-current liabilities		**45,706**	6,966
TOTAL LIABILITIES		**654,452**	603,827
NET ASSETS		**702,807**	609,310
EQUITY			
Accumulated surpluses		**702,807**	609,310
TOTAL EQUITY		**702,807**	609,310

The accompanying notes form part of the financial statements

Statement of Changes in Equity For the Year Ended 30 June 2012

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

2011	Retained Earnings	Total
	$	$
Balance at 1 July 2010	542,992	542,992
Surplus (deficit) for the year	66,318	66,318
Balance at 30 June 2011	609,310	609,310

The accompanying notes form part of the financial statements

Statement of Cash Flows
For the Year Ended 30 June 2012

	note	2012	2011
		$	$
Cash from operating activities:			
Receipts from members & government bodies		2,886,763	3,320,621
Payments to suppliers and employees		(3,080,112)	(2,897,802)
Interest received		48,871	35,472
Net cash provided by (used in) operating activities	16	(144,478)	458,291
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		-	14,390
Placement of term deposits		(50,000)	(350,000)
Acquisition of plant and equipment		(3,788)	(8,237)
Acquisition of computer software		-	(33,096)
Proceeds from disposal of investment		53,861	-
Net cash used by investing activities		73	(376,943)
Net cash increase (decreases) in cash and cash equivalents		(144,405)	81,348
Cash and cash equivalents at beginning of year		288,672	207,324
Cash and cash equivalents at end of year	8	144,267	288,672

The accompanying notes form part of the financial statements

Notes to the Financial Statements For the Year Ended 30 June 2012

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. As a consequence, the entity has also adopted AASB 2011–2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements and AASB 2011–6: Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements. This is because the reduced disclosure requirements in AASB 2011–2 and AASB 2011–6 relate to Australian Accounting Standards that mandatorily apply to annual reporting periods beginning on or after 1 July 2011.

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.

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 1 Significant Accounting Policies continued

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.

The carrying amount of plant and equipment is reviewed annually to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets use and subsequent disposal. The expected net cash flows are discounted to their present value in determining recoverable amounts.

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.

1e Financial Instruments

Recognition and Initial 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).

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.

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 1 Significant Accounting Policies continued

1e Financial Instruments continued

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) 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 using the effective interest rate method.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets. (All other loans and receivables are classified as non-current assets.).

(iii) 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 using the effective interest rate method.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 1 Significant Accounting Policies continued

1e Financial Instruments continued

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

1f Intangibles

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. 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.

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 1 Significant Accounting Policies continued

1h Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use or where appropriate depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

1i Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Long service leave provision has been provided for employees that have been employed for over 4 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

All income received from members is exempt from Income Tax due to the "Mutuality Principle". Interest earned on bank accounts and other income from non-members is subject to tax and can result in a tax liability from year to year. If such a liability occurs, the company adopts the balance sheet method of tax-effect accounting whereby the Income Tax expense shown in the Income Statement is based on the operating profit before income tax adjusted for any permanent differences.

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 1 Significant Accounting Policies continued

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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. 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.

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.

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 1 Significant Accounting Policies continued

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 judgements

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 of 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.

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 makes 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.

Note 2 Segment information

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

Notes to the Financial Statements For the Year Ended 30 June 2012

		2012	2011
		$	$
Note 3	**Revenue**		
	- Interest income	**52,836**	35,472
	- Project income	**260,549**	299,996
	- Member Subscriptions	**635,791**	598,559
	- Conference income	**1,074,140**	1,045,969
	- Government project funding	**292,267**	360,681
	- Seminars and Services Provided	**632,942**	600,754
		2,948,525	2,941,431
Note 4	**Result for the Year**		
	Expenses from Ordinary Activities		
	Depreciation of property, plant and equipment	**47,047**	53,568
	Rental expense on operating leases		
	Rental expense	**130,643**	130,365
	Telephone equipment	**7,700**	8,400
	Motor vehicle	**30,161**	37,454
		168,504	176,219

Notes to the Financial Statements For the Year Ended 30 June 2012

	2012	2011
	$	$

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:

	2012 $	2011 $
Prima facie tax payable/(benefit) on profit from ordinary activities before income tax at 30% (2011: 30%)		
Add:	**28,049**	19,895
Tax effect of:		
- non-allowable items	**269**	169
	28,318	20,064
Less:		
Tax effect of:		
- profit attributable to members (a)	**(28,318)**	(20,064)
Income tax attributable to entity	**-**	-

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

Note 6 Key Management Personnel Compensation

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

	2012 $	2011 $
Key management personnel compensation	**611,608**	548,760
	611,608	548,760

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.

Notes to the Financial Statements For the Year Ended 30 June 2012

		Note	2012	2011
			$	$
Note 8	**Cash and cash equivalents**			
	Cash on hand		**5,108**	300
	Cash on bank		**139,159**	288,372
			144,267	288,672
Note 9	**Trade and other receivables**			
	CURRENT			
	Trade receivables		**295,477**	191,825
	Provision for impairment of receivables		**(6,505)**	(6,505)
	Other receivables		**190,325**	19,854
			479,297	205,174
Note 10	**Financial assets**			
	CURRENT			
	Held-to-maturity financial assets	10a	**429,817**	379,817
	Available for sale financial assets		**-**	50,000
	Total Current Assets		**429,817**	429,817

10a Held-to-maturity Financial Assets Comprise:

Term deposit placed with Bendigo Bank with an interest rate of 5.05%.

			2012	2011
Note 11	**Other Assets**			
	CURRENT			
	Prepayments		**211,057**	153,394
			211,057	153,394

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 12 Property, plant and equipment

	2012	2011
	$	$
PLANT AND EQUIPMENT		
Office equipment		
At cost	64,098	60,304
Accumulated depreciation	(53,787)	(45,269)
Total office equipment	10,311	15,035
Low asset value pool		
At cost	10,233	10,233
Accumulated depreciation	(9,529)	(8,217)
Total low asset value pool	704	2,016
Computer software		
At cost	219,652	219,653
Accumulated amortisation	(137,846)	(100,624)
Total computer software	81,806	119,029
Total property, plant and equipment	92,821	136,080

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 12 Property, plant and equipment

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	Computer Software	Low Value Pool	Total
	$	$	$	$
Current Year				
Balance at the beginning of year	**15,035**	**119,029**	**2,016**	**136,080**
Additions	**3,788**	**-**	**-**	**3,788**
Depreciation expense	**(8,512)**	**(37,223)**	**(1,312)**	**(47,047)**
Carrying amount at the end of year	**10,311**	**81,806**	**704**	**92,821**
Prior Year				
Balance at the beginning of year	23,451	134,186	5,071	162,708
Additions	8,237	33,096	-	41,333
Disposals	(5,075)	(8,320)	(995)	(14,390)
Depreciation expense	(11,578)	(39,933)	(2,060)	(53,571)
Carrying amount at the end of year	15,035	119,029	2,016	136,080

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 13 Trade and other payables

	2012	2011
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	89,639	78,265
Sundry payables and accrued expenses	102,649	81,879
Other payables	36,954	55,766
	229,242	215,910

Note 14 Provisions

	Employee entitlements	Total
	$	$
Opening balance at 1 July 2011	169,414	169,414
Additional provisions	141,615	141,615
Amounts used	(85,480)	(85,480)
Balance at 30 June 2012	225,549	225,549

Analysis of Total Provisions		
Current	179,843	162,448
Non-current	45,706	6,966
	225,549	169,414

Note 15 Other Liabilities

Current		
Subscriptions / Fees in Advance	199,661	218,503
	199,661	218,503

Notes to the Financial Statements For the Year Ended 30 June 2012

Note 16 Cash Flow Information

	2012 $	2011 $
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Net surplus/(deficit) for the year	**93,497**	66,318
Cash flows excluded from result attributable to operating activities		
Non-cash flows in surplus/(deficit)		
Amortisation	**37,223**	39,933
Depreciation	**9,824**	13,638
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	**(274,123)**	68,158
(Increase)/decrease in prepayments	**(57,663)**	55,413
Increase/(decrease) in trade payables and accruals	**13,332**	78,966
Increase/(decrease) in other current liabilities	**(18,842)**	86,026
Increase/(decrease) in provisions	**56,135**	43,334
	(144,478)	458,291

Note 17 Capital and Leasing Commitments

17a Operating Lease Commitments

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

	2012 $	2011 $
Payable - minimum lease payments		
- not later than 12 months	**37,899**	128,880
- between 12 months and 5 years	**27,600**	40,410
- greater than 5 years	**1,150**	-
	66,649	169,290

The company has operating leases on one car, a photocopier, telephone system, car spaces for employees and office accommodation. The office space leases expire on 30 September 2012 with renewals being finalised. The photocopier lease has been renewed and expires on 10 August 2017.

Notes to the Financial Statements For the Year Ended 30 June 2012

	2012 $	2011 $

Note 18 Contingent Liabilities and Contingent Assets

	2012 $	2011 $
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 19 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:

	2012 $	2011 $
Financial Assets		
Cash and cash equivalents	**144,267**	288,672
Trade and other receivables	**479,297**	205,174
Financial assets	**429,817**	429,817
	1,053,381	923,663
Financial Liabilities		
Trade and other payables	**229,242**	215,910
	229,242	215,910

Note 20 Members' Guarantee

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 2012 the number of members was 145 (2011: 174).

Note 21 Company Details

The registered office of the company is:

National Employment Services Association Limited
Level 8, 20 - 22 Albert Road
SOUTH MELBOURNE VIC 3205

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 26, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2012 and of the 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.

Stephen Creese

Director:..

Director:..

Dated this 5th day of October 2012

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 2012, and the statement of 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.

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 2012 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: 5 October 2012

20 Albert Street / PO Box 256
Blackburn Victoria 3130
T: 03 9894 2500 **F:** 03 9894 1622
contact@youraccountant.com.au

PRINCIPALS: Bruce Saward FCA Cliff Dawson FCA
Peter Shields CA Tim Flowers CA Joshua Morse CA
ASSOCIATE: Cathy Braun CA