

National ELT Accreditation Scheme Limited
ABN 29 003 980 667

Financial Report

For the Year Ended 30 June 2013

National ELT Accreditation Scheme Limited

Financial Report

For the Year Ended 30 June 2013

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National ELT Accreditation Scheme Limited

DIRECTORS' REPORT

Your directors submit 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:

Ms Denise Taylor

Ms Bianca Panizza

Mr Robin Simpson

A/ Professor Seamus Fagan

Mr Lawrence Davies

(Appointed 10 November 2012)

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

Principal Activities

The principal activities of the company during the financial year were accrediting colleges and monitoring them for the maintenance of accreditation in both ELICOS and AMEP.

There have been no significant changes in the nature of the company's principal activities during the financial year.

Company Objectives and Strategies

The company's short term objectives are to:

- accommodate imminent and emerging business opportunities;
- enhance existing accreditation and quality assurance procedures to streamline processes for stakeholders nationally and internationally.

The company's long term objectives are to:

- provide monitoring services to enable ELT providers to be either registered for government or other purposes or to be NEAS accredited or both;
- enable international as well as national ELT providers to distinguish themselves as quality providers through adherence to a quality assurance framework;
- expand NEAS' capabilities in quality assurance processes .

The company's related strategies are to:

- Continue to work with State & Federal Government and their relevant agencies;
- Review elements of NEAS' processes and relevant documentation surrounding NEAS accreditation;
- Continue to streamline & moderate processes to benefit providers, NEAS Executive staff and NEAS Assessment Panellists;
- Continue to improve operating principles, standards and monitoring processes for ELT centres outside Australia;
- Promote through website and publish articles;
- Increase the number of accredited centres outside Australia, initially targeting Australian affiliated institutions;
- Actively pursue funding opportunities such as project grants, tenders, etc.;
- Review current fee structures to better reflect services offered.

The company measures its performance through gauging performance, including financial performance, against KPIs at Board meetings and through regular reports from the Executive Director.

Guarantee

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$20.00 each towards meeting any outstanding obligations of the company. At 30 June 2013 the collective liability of members was \$1,060 (2012: \$1,120).

National ELT Accreditation Scheme Limited

DIRECTORS' REPORT

Information on Directors

No Director has an interest in any existing or proposed contract into which the company has entered or may be considered.

(a) Qualifications and Special Responsibilities

Name	Special Responsibilities	Qualifications & Experience
Ms Denise Taylor	None	MEd, Grad Dip Sch Lib, Dip Tch, Cert Tch, Dip Company Directors Course Company Director Appointed as a director on 1 February 2012
Ms Bianca Panizza	None	BA(Hons), CELTA, DELTA Director of Centre for English Language Teaching, University of Western Australia Appointed as a director on 23 February 2011
Mr Robin Simpson	None	Higher National Diploma (Hotel and Catering Administration), City & Guilds Adult Teaching Cert Managing Director, Langports Appointed as a director on 23 November 2005
A/ Professor Seamus Fagan	None	BA, Higher Dip Ed, MA Director, University of Newcastle Language Centre Appointed as a director on 29 February 2012
Mr Lawrence Davies	None	BComm, MComm (Prelim) Executive Officer, Western Australia, ACPET Appointed as a director on 10 November 2012

(b) Directors' Meetings Held During the 2013 Financial Year

	Meetings Eligible to Attend	Number Attended
Ms Denise Taylor	8	8
Ms Bianca Panizza	8	8
Mr Robin Simpson	8	7
A/ Professor Seamus Fagan	8	8
Mr Lawrence Davies	6	6

National ELT Accreditation Scheme Limited

DIRECTORS' REPORT

Company Secretary

The following person held the position of company secretary at the end of the financial year:

- Emma Catherine Lawler

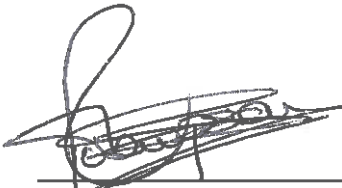
Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 can be found on page 4 of the financial report.

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



Denise Taylor
Chair



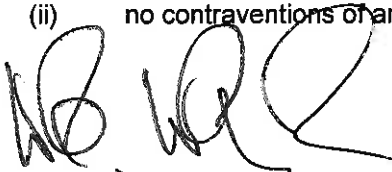
Robin Simpson
Director

Dated this 20th day of September 2013
Sydney

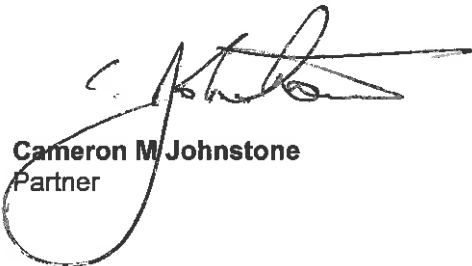
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF NATIONAL ELT ACCREDITATION SCHEME LIMITED**

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.



Weston Woodley & Robertson



Cameron M Johnstone
Partner

Date: 20th September 2013
Sydney

National ELT Accreditation Scheme Limited

Statement of Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	2	1,339,925	1,563,018
Employee benefit expense		(701,021)	(682,777)
Depreciation	3	(17,486)	(9,121)
Advertising, promotional and marketing		(32,140)	(32,822)
Audit and accounting		(37,393)	(30,429)
Board sitting fees		(64,499)	(45,666)
Consultancy fees		(116,845)	(81,384)
DOS conference expenses		(159,917)	(206,811)
Insurance		(16,063)	(16,539)
Panelists fees		(171,132)	(115,872)
Rent	3	(172,474)	(157,907)
Travel and accommodation		(73,622)	(73,679)
Other expenses		(105,198)	(131,484)
(Loss) Profit before income tax		(327,865)	(21,473)
Income tax expense	1(c)	-	-
(Loss) Profit for the year		(327,865)	(21,473)
Other comprehensive income for the year, net of tax		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) income for the year		(327,865)	(21,473)

The accompanying notes form part of these financial statements

National ELT Accreditation Scheme Limited

Statement of Financial Position

As at 30 June 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,086,295	1,402,242
Trade and other receivables	6	118,794	137,106
Other financial assets	7	583,405	583,405
Other assets	8	8,043	10,012
TOTAL CURRENT ASSETS		<u>1,796,537</u>	<u>2,132,765</u>
NON CURRENT ASSETS			
Other financial assets	7	50,000	50,000
Plant and equipment	9	58,632	74,285
TOTAL NON CURRENT ASSETS		<u>108,632</u>	<u>124,285</u>
TOTAL ASSETS		<u>1,905,169</u>	<u>2,257,050</u>
CURRENT LIABILITIES			
Trade and other payables	10	171,444	148,537
Provisions	11	38,226	31,348
Other liabilities	12	52,217	86,073
TOTAL CURRENT LIABILITIES		<u>261,887</u>	<u>265,958</u>
NON CURRENT LIABILITIES			
Provisions	11	18,675	38,620
TOTAL NON CURRENT LIABILITIES		<u>18,675</u>	<u>38,620</u>
TOTAL LIABILITIES		<u>280,562</u>	<u>304,578</u>
NET ASSETS		<u>1,624,607</u>	<u>1,952,742</u>
EQUITY			
Retained earnings		<u>1,624,607</u>	<u>1,952,472</u>
TOTAL EQUITY		<u>1,624,607</u>	<u>1,952,472</u>

The accompanying notes form part of these financial statements

National ELT Accreditation Scheme Limited

Statement of Changes in Equity

For the Year Ended 30 June 2013

	Retained Earnings	Total
	\$	\$
Balance as at 1 July 2011	1,973,945	1,973,945
Total Comprehensive Income for the Year		
Profit for the year	(21,473)	(21,473)
Other comprehensive income	-	-
Balance as at 30 June 2012	<u>1,952,472</u>	<u>1,952,472</u>
Total Comprehensive Income for the Year		
(Loss) for the year	(327,865)	(346,387)
Other comprehensive income	-	-
Balance as at 30 June 2013	<u>1,624,607</u>	<u>1,606,085</u>

The accompanying notes form part of these financial statements

National ELT Accreditation Scheme Limited

Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other income		1,238,686	1,557,482
Payments to suppliers and employees		(1,629,405)	(1,654,701)
Interest received		76,605	93,637
Net cash (outflow) inflow from operating activities	13(a)	<u>(314,114)</u>	<u>(3,582)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(1,833)	(77,796)
Acquisition of term deposits		-	(148,870)
Net cash (outflow) from investing activities		<u>(1,833)</u>	<u>(226,666)</u>
Net (decrease) increase in cash and cash equivalents		(315,947)	(230,248)
Cash and cash equivalents at the beginning of year		1,402,242	1,632,490
Cash and cash equivalents at end of year	5	<u>1,086,295</u>	<u>1,402,242</u>

The accompanying notes form part of these financial statements

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

National ELT Accreditation Scheme Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements of National ELT Accreditation Scheme Limited for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 20th September 2013. The company has the power to amend and reissue the financial statements.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australia Accounting Standards Board and the Corporations Act 2001.

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

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

a) Capital

The company is limited by guarantee. In the event of winding up the company, the liability of members is limited during the period of membership or within one year after membership ceases to \$20.00 per member. As at 30 June 2013, the number of members was 53 (2012: 56).

b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Accreditation fees

- **Application for accreditation**
The accreditation application fees are recognised as revenue on receipt of the application and commencement of the assessment process.
- **Annual accreditation fees**
Annual accreditation fees are recognised as revenue when the annual accreditation renewal becomes due. Fees received in advance of the renewal date are carried forward in the statement of financial position as deferred income.

Membership fees

The membership subscription year runs from 1 July to 30 June. Membership fees are recognised as revenue in the period to which the fees relate. Membership fees received in advance of the period to which they relate are carried forward in the statement of financial position as deferred income.

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1: Statement of Significant Accounting Policies (Cont.)

b) Revenue Recognition (Cont.)

Government and Other Grants

Grant revenue is recognised in the statement of comprehensive income when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes, it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

Interest income

Interest revenue is recognised using the effective interest rate method, which for floating financial assets is the rate inherent in the instrument.

c) Income Tax

The company is exempt from Income Tax under Section 50-5 of the Income Tax Assessment Act 1997. It is noted the Company's Income Tax status is under review by the Board of Directors.

d) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank, cash on hand and short term bank deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of bank overdrafts.

e) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are non-interest bearing and are on 28 day terms.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of impairment allowance is the difference between the assets carrying value and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment loss had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance amount. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1: Statement of Significant Accounting Policies (Cont.)

f) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

Depreciation is provided on all plant and equipment. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset 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:

<i>Class of Asset</i>	
Plant and Equipment	7.50 to 33.33%

The residual value and useful lives of assets are reviewed at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

g) Financial Assets - Investments

Recognition

Investments are initially measured at cost, being the fair value of the consideration given, including transaction costs. Investments comprise of bank term deposits which have original maturities of greater than 3 months.

Classification and subsequent measurement

The term deposits are classified as a held-to-maturity financial asset. 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. After initial recognition these investments are subsequently measured at amortised cost. The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts throughout the expected life of the financial asset, or where appropriate, a shorter period.

h) Impairment of Assets

At each reporting date, the company reviews the carrying values of its 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, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1: Statement of Significant Accounting Policies (Cont.)

i) Trade and Other Payables

Trade payables and other accounts payable are carried at amortised cost. They present liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

j) 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. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

k) Employee Benefits

Wages and Salaries and Annual Leave and Long Service Leave Entitlements

Provision is made for the company's liability for the employee benefits arising from services rendered by employees to reporting date. These benefits include annual leave and long service leave entitlements. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled including related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements based on historical data. Expected future payments are discounted using market yields on national government bond rates at reporting date with terms to maturity that match, as closely as possible, the expected timing of cash outflows.

Liabilities for salaries, wages and annual leave are included as part of other payables and liabilities long service leave is included as part of employee benefits provision.

Superannuation

Contributions are made by the company to an employee superannuation fund and are charged as an expense when incurred.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except;

- where the GST incurred on purchase of goods and services are not recoverable from the taxation authority in which case the GST is recognised as part of the cost of acquisition of an asset or as part of the expense item as applicable; and,
- receivables and payables are stated with the amount of GST included.

The net amount of GST receivable from, or payable to, the taxation authority is included as part of the receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note 1: Statement of Significant Accounting Policies (Cont.)

m) Operating Lease

Lease payments for operating leases are charged as an expense in the statement of comprehensive income on a straight line basis over the term of the lease.

n) Functional and Presentation Currency

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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.

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Note 2: Revenue			
Operating activities			
- Fees Received		1,082,038	1,260,978
- Membership Fees		5,000	300
- ELT Management Conference Income		180,162	170,865
- ASQA Foundation Fees		-	7,500
- Other Income		2,900	11,311
		<u>1,270,100</u>	<u>1,450,954</u>
Other Revenue			
- Interest received: other persons		69,825	112,064
		<u>1,339,925</u>	<u>1,563,018</u>
Note 3: Expenses			
Profit before income tax includes the following specific expenses:			
Bad and doubtful debt expense			
- trade receivables		9,090	17,905
Depreciation			
- plant and equipment		17,486	9,121
Remuneration of auditor:			
- audit of financial statements		14,000	14,000
Movement in employee leave entitlements:			
- annual leave		10,386	898
- long service leave		(13,066)	16,564
		<u>(2,680)</u>	<u>17,462</u>
Operating lease rentals:			
- property rent		172,474	157,907
Loss on disposal of fixed assets			
		-	2,593
Note 4: Key Management Personnel Compensation			
Total remuneration paid to key management personnel of the company		<u>203,957</u>	<u>185,415</u>

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

Note	2013 \$	2012 \$
Note 5: Cash and Cash Equivalents		
Cash on hand	920	920
Cash at bank	1,085,375	1,401,322
	<u>1,086,295</u>	<u>1,402,242</u>

Note 6: Trade and Other Receivables

Current

Trade receivables	24,687	33,585
Provision for impairment	(9,090)	(30,295)
	<u>15,597</u>	<u>3,290</u>
Fees owing from AMEP Project	90,750	88,616
Other receivables	12,447	45,200
	<u>118,794</u>	<u>137,106</u>

Note 7: Other Financial Assets

Current

Interest bearing bank term deposits	7(a) <u>583,405</u>	<u>583,405</u>
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Non-Current

Interest bearing bank term deposit	7(b) <u>50,000</u>	<u>50,000</u>
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(a) The bank term deposits have fixed interest rates of 3.00% and 4.50% (2012: 4.5% and 5.8%). The term deposits mature within 12 months terms and mature on 19 August 2013 and 27 August 2013.

(b) The bank term deposit has a fixed interest rate of 6.8%. The term deposit has a term of 60 months and matures on 4 August 2016. The bank term deposit is held as security in respect of the bank guarantee provided by the company's banker to the company's landlord and is not available for use by the company in its operations.

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Note 8: Other Assets			
Current			
Prepayments		8,043	10,012
Note 9: Plant and Equipment			
Plant and equipment – at cost		87,383	85,550
Less: Accumulated depreciation		(36,671)	(20,140)
		50,712	65,410
Leasehold improvements – at cost		9,550	9,550
Less: Accumulated depreciation		(1,630)	(675)
		7,920	8,875
Total plant and equipment		58,632	74,285

Movements in carrying amounts

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

For the year ended 30 June 2013

	Plant and Equipment \$	Leasehold improvements \$	Total \$
Balance at the beginning of the year	65,410	8,875	74,285
Additions	1,833	-	1,833
Depreciation expense	(16,531)	(955)	(17,486)
Carrying amount at the end of the year	50,712	7,920	58,632

For the year ended 30 June 2012

	Plant and Equipment \$	Leasehold improvements \$	Total \$
Balance at the beginning of the year	8,203	-	8,203
Additions	68,246	9,550	77,796
Disposals	(2,593)	-	(2,593)
Depreciation expense	(8,446)	(675)	(9,121)
Carrying amount at the end of the year	65,410	8,875	74,285

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

	2013 \$	2012 \$
Note 10: Trade and Other Payables		
Current		
Trade payables	27,651	15,986
Other payables & accrued expenses	86,142	85,287
Employee benefits:		
- annual leave entitlements	57,651	47,264
	<u>171,444</u>	<u>148,537</u>
Note 11: Provisions		
Current		
Long service leave entitlements	<u>38,226</u>	<u>31,348</u>
Non-Current		
Long service leave entitlements	<u>18,675</u>	<u>38,620</u>
Note 12: Other Liabilities		
Current		
Deferred income	<u>52,217</u>	<u>86,073</u>
Note 13: Cash Flow Information		
(a) Reconciliation of cash flow from operations with (loss) profit after tax		
(Loss) Profit after income tax	(327,865)	(21,473)
Non-cash flows in (loss) profit		
- Depreciation	17,486	9,121
- Loss on disposal of fixed assets	-	2,593
Changes in assets and liabilities:		
- Decrease (Increase) in trade and other receivables	18,312	(38,598)
- (Increase) Decrease in prepayments	1,969	(1,719)
- Increase in trade and other payables	11,665	61,413
- (Decrease) Increase in provision for long service leave entitlements	(2,680)	16,565
- (Decrease) in other liabilities	<u>(33,001)</u>	<u>(31,484)</u>
Net cash (outflow) inflow from operations	<u>(314,114)</u>	<u>(3,582)</u>

(b) Credit standby arrangements

The company has no credit standby arrangements and loan facilities.

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

	2013	2012
Note	\$	\$
Note 14: Capital and Leasing Commitments		
Operating lease commitments		
- Within twelve months	168,198	159,428
- One year to five years	379,761	547,959
	<u>547,959</u>	<u>707,387</u>

The company entered into a lease agreement for office premises and 2 car spaces located at 189 Miller Street North Sydney. The lease is for a term of 5 years. There is an option to extend the lease term for a further 5 years. The lease commenced 1 August 2011 and expires on 31 July 2016 and allows for subletting of the leased area. The lease is a non-cancellable lease with rent payable monthly in advance. Provisions in the lease agreement require that the minimum lease payments be increased by 4% on each anniversary.

Note 15: Financial Risk Management

The company's overall risk management program seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies include credit risk policies and future cash flow requirements which are approved by the Board of Directors.

The company's principal financial instruments consist mainly of cash and term deposits with banks, trade and other receivables and trade and other payables. The main purpose of these non-derivative financial instruments is to finance the company's operations. The company did not have any derivative financial instruments as at 30 June 2013. 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
Note	\$	\$
Financial Assets		
Cash and cash equivalents	5 1,086,295	1,402,242
Trade & other receivables	6 118,794	137,106
Other financial assets – term bank deposit	7 633,405	633,405
	<u>1,838,494</u>	<u>2,172,753</u>
Financial Liabilities		
Trade & other payables at amortised cost (excludes annual leave entitlements)	10 113,793	101,273

National ELT Accreditation Scheme Limited

Notes to the Financial Statements

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Note 16: Contingent Liabilities			
There were no contingent liabilities at reporting date other than described below. No losses giving rise to actual liabilities are anticipated.			
<i>Rental Guarantees</i>			
The company's banker has provided a guarantee to the landlord of the company on behalf of the company. The bank guarantee does not have a termination or expiry date.			
		50,000	50,000

Note 17: Related Party Transactions

Directors can be employees of the member organisations. During the financial year there were three directors who were employees of member organisations. These organisations paid their annual accreditation fees. The fees charged are on the same terms and conditions applicable to all other members.

The directors received fees totalling \$61,930 (2012: \$44,945) in the performance of their duties.

Note 18: Events after Reporting Period

There have been no significant events that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in the future financial years

Note 19: Company Details

The registered office and principal place of business of the company is:

Level 3
189 Miller Street
North Sydney NSW 2060

National ELT Accreditation Scheme Limited

Directors' Declaration

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 19, 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 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.



Denise Taylor
Chair



Robin Simpson
Director

Dated this 20th day of September 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL ELT ACCREDITATION SCHEME LTD

Report on the Financial Report

We have audited the accompanying financial report of National ELT Accreditation Scheme Ltd (the company), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal controls 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 standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 company'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.

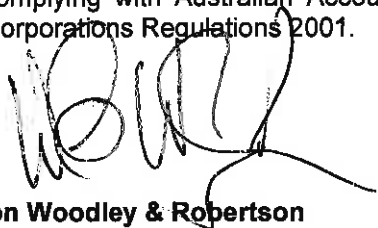
Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.


Auditor's opinion

In our opinion the financial report of National ELT Accreditation Scheme Ltd is in accordance with the Corporations Act 2001, including:

- (a) 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
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.



Weston Woodley & Robertson



Cameron M Johnstone
Partner
Date: 20th September 2013
Sydney