

National ELT Accreditation Scheme Limited

ABN:29 003 980 667

Financial Statements

For the Year Ended 30 June 2014

National ELT Accreditation Scheme Limited

ABN:29 003 980 667

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For the Year Ended 30 June 2014

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National ELT Accreditation Scheme Limited

ABN:29 003 980 667

Directors' Report

30 June 2014

The directors present their report on National ELT Accreditation Scheme Limited for the financial year ended 30 June 2014.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Ms. Denise Taylor

Qualifications

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

Qualifications

BA (Hons), CELTA, DELTA
Director of Center for English Language Teaching,
University of Western Australia
Retired on 20 November 2013

Mr Robin Simpson

Qualifications

Higher National Diploma (Hotel and Catering Administration),
City & Guilds Adult Teaching Cert
Managing Director, Langports
Retired on 20 November 2013

A/ Professor Seamus Fagan

Qualifications

BA, Higher Dip Ed, MA

Experience

Director, University of Newcastle Language Center

Interest in shares and options

Appointed as a Director on 29 February 2012

Mr Lawrence Davies

Qualifications

BComm, MComm (Prelim)

Experience

Executive Officer, Western Australia, ACPET

Interest in shares and options

Appointed as a director on 10 November 2012

Heidi Reid

Qualifications

Master of TESOL - USQ

Experience

Principle administrator AICE

Appointed as a director on 20 November 2013

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

Directors' Report

30 June 2014

Company secretary and Chief Executive Officer

Mark Raven (appointed on 1 September 2013)

Qualifications: Master of Business Administration

Principal activities

The principal activity of National ELT Accreditation Scheme Limited during the financial year was providing assurance services to colleges and monitoring them for the maintenance of assurance in both ELICOS and AMEP.

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

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- accommodate imminent and emerging business opportunities
- enhance quality assurance procedures to streamline processors for stakeholders nationally and internationally

Long term objectives

The Company's long term objectives are to:

- Advance the benefits of education through quality in ELT;
- provide monitoring services to enable ELT providers to be either registered for government or other purposes or to be NEAS assurance 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 assurance
- continue to streamline & moderate process to benefit providers, NEAS staff ;
- continue to improve operating principles, standards and monitoring process for ELT centres outside Australia;

Directors' Report

30 June 2014

The company's related strategies are to: continued

- promote through website, database and newsletters
- increase the number of ELT edited 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.

Performance measures

The company measures its performance through gauging performance, including financial performance, against KPI's at Board Meetings and through regular reports from the Chief Executive Officer

Members guarantee

National ELT Accreditation Scheme Limited is a company limited by guarantee and a tax exempt charity registered by the ACNC. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20 for members that are corporations other members, subject to the provisions of the company's constitution.

At 30 June 2014 the collective liability of members was \$ 1,060 (2013: \$ 1,060).

Directors' meeting held during the year

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Ms.Denise Taylor	8	8
Ms Bianca Panizza	8	4
Mr Robin Simpson	8	4
A/ Professor Seamus Fagan	8	8
Mr Lawrence Davies	8	8
Heidi Reid	4	4

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014 has been received and can be found on page 5 of the financial report.

National ELT Accreditation Scheme Limited

ABN:29 003 980 667

Directors' Report

30 June 2014

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

Director:

Ms.Denise Taylor

Director:

Mr Lawrence Davies

Dated 16 October 2014



Bentleys NSW Audit Pty Ltd
Level 10, 10 Spring Street
Sydney NSW 2000
Australia
ABN 49 141 611 896
T +61 2 9220 0700
F +61 2 9220 0777
directors@bentleysnsw.com.au
bentleys.com.au

National ELT Accreditation Scheme Ltd
ABN:29 003 980 667

Independent Audit Report to the members of National ELT Accreditation Scheme Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, 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.

Bentleys NSW Audit Pty Ltd

Robert Evett
Director
Sydney

Dated



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Accountants
Auditors
Advisors

National ELT Accreditation Scheme Limited

ABN:29 003 980 667

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014**

	Note	2014	2013
		\$	\$
Revenue	2	1,415,809	1,339,925
Employee benefits expense		(633,926)	(701,023)
Audit and accounting		(51,694)	(37,393)
Depreciation and amortisation expense		(18,559)	(17,486)
Advertising, promotional and marketing		(72,713)	(32,140)
Board sitting fees		(44,050)	(64,499)
Consulting fee		(71,021)	(116,845)
DOS Conference expenses		(132,476)	(159,917)
Insurance		(13,375)	(16,063)
Panaelists fees		(158,877)	(171,132)
Rent	(a)	(160,303)	(172,474)
Travel and accommodation		(46,544)	(73,621)
Other expenses		(131,973)	(105,197)
Loss before income tax		(119,702)	(327,865)
Income tax expense		-	-
Loss for the year		(119,702)	(327,865)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(119,702)	(327,865)

The accompanying notes form part of these financial statements.

National ELT Accreditation Scheme Limited

ABN:29 003 980 667

Statement of Financial Position

30 June 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	4	884,978	1,086,294
Trade and other receivables	5	161,850	118,794
Other financial assets	6	535,245	583,405
Other Assets	9	5,340	8,043
TOTAL CURRENT ASSETS		<u>1,587,413</u>	<u>1,796,536</u>

NON-CURRENT ASSETS

Other financial assets	6	50,000	50,000
Property, plant and equipment	7	55,937	58,633
Intangible assets	8	31,934	-
TOTAL NON-CURRENT ASSETS		<u>137,871</u>	<u>108,633</u>

TOTAL ASSETS

1,725,284 1,905,169

LIABILITIES

CURRENT LIABILITIES

Trade and other payables	10	96,434	171,444
Provisions	11	55,540	38,226
Deferred income	12	68,405	52,217
TOTAL CURRENT LIABILITIES		<u>220,379</u>	<u>261,887</u>

NON-CURRENT LIABILITIES

Provisions	11	-	18,675
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>18,675</u>

TOTAL LIABILITIES

220,379 280,562

NET ASSETS

1,504,905 1,624,607

EQUITY

Retained earnings		<u>1,504,905</u>	<u>1,624,607</u>
TOTAL EQUITY		<u>1,504,905</u>	<u>1,624,607</u>

The accompanying notes form part of these financial statements.

National ELT Accreditation Scheme Limited

ABN:29 003 980 667

Statement of Changes in Equity
For the Year Ended 30 June 2014

2014

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2013	1,624,607	1,624,607
Total comprehensive income		
Loss for the year	<u>(119,702)</u>	<u>(119,702)</u>
Balance at 30 June 2014	<u>1,504,905</u>	<u>1,504,905</u>

2013

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2012	1,952,472	1,952,472
Total comprehensive income		
Loss for the year	<u>(327,865)</u>	<u>(327,865)</u>
Balance at 30 June 2013	<u>1,624,607</u>	<u>1,624,607</u>

The accompanying notes form part of these financial statements.

National ELT Accreditation Scheme Limited

ABN:29 003 980 667

Statement of Cash Flows For the Year Ended 30 June 2014

	2014	2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,345,168	1,238,686
Payments to suppliers and employees	(1,545,163)	(1,629,405)
Interest received	46,476	76,605
Net cash used in operating activities	16 <u>(153,519)</u>	<u>(314,114)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(47,797)</u>	(1,833)
Net cash used by investing activities	<u>(47,797)</u>	<u>(1,833)</u>
Net decrease in cash and cash equivalents held	(201,316)	(315,947)
Cash and cash equivalents at beginning of year	<u>1,086,294</u>	1,402,241
Cash and cash equivalents at end of financial year	4 <u>884,978</u>	<u>1,086,294</u>

The accompanying notes form part of these financial statements.

National ELT Accreditation Scheme Limited

ABN:29 003 980 667

Notes to the Financial Statements

For the Year Ended 30 June 2014

The financial statements of National ELT Accreditation Scheme Limited ("Company") for the year ended 30 June 2014 were authorised for issue in accordance with a resolution of the board of directors on 16 October 2014. The Company has the power to amend and reissue the financial statements.

The functional and presentation currency of National ELT Accreditation Scheme Limited is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

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

Material accounting policies adopted in the preparation of these financial statements 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 non-current assets, financial assets and financial liabilities.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(c) Income tax

The Company is exempt from Income Tax under Section 50-5 of the Income tax Assessment Act 1997. It is noted that Company is also a charity registered with ACNC.

(d) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Application for accreditation and assurance

The accreditation and assurance application fees are recognised as revenue on receipt of the application and commencement of the assessment process.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

Annual accreditation assurance fees

Annual accreditation fees are recognised as revenue when the annual renewal becomes due. Fees received in advance of the renewal date are carried forward in the statement of financial position as a deferred income

Membership fees

The membership subscription year runs from when the annual assurance renewal becomes due, and is included in the annual assurance fee. Membership fees are recognised as revenue in the period to which the fees related. Membership fees received in advance of the period to which they are carried forward in the statement of financial position as a deferred income.

Government grant and Other Grants

Grant revenue is recognised in the statement of comprehensive income when it is collected. 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 positions as a liability until such conditions are met or services provided.

Interest revenue

Interest is recognised using the effective interest method.

(f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Plant and equipment

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

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

The depreciable amount of all property, plant and equipment is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(g) Plant and equipment continued

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Computer equipment	25% to 33.33%
Furniture fittings	10%
Computer software and Data base system	33.33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Receivables*

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.

Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(ii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

(i) **Intangible Assets**

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.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(j) 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.

(k) 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. 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.

Employee benefits expected to be settled more than twelve months after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(l) 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.

(m) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 127 *Separate Financial Statements*
- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*
- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(m) Adoption of new and revised accounting standards continued

- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 10 *Consolidated Financial Statements* is effective for annual reporting periods beginning on or after 1 January 2013 and therefore the Company has applied it for the first time in these financial statements. AASB 10 includes a new definition of control, including additional guidance for specific situations such as control in a principal / agent situation and when holding less than majority voting rights may give control. AASB 10 supersedes the previous requirements of AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation - Special Purpose Entities* and resulted in consequential amendments to a number of other standards.

The Company has reviewed its investment in other entities to determine whether any changes were required to the consolidated entity under AASB 10. The composition of the consolidated entity is the same under AASB 10 and therefore there is no change to the reported financial position and performance.

AASB 11 *Joint Arrangements* replaces AASB 131 *Interests in Joint Ventures* and Interpretation 112 *Jointly-Controlled Entities - Non-monetary Contributions by Venturers* as well as consequential amendments to a number of other standards. AASB 11 uses the revised definition of control from AASB 10 and once joint control is determined, then classifies joint arrangements as either joint ventures or joint operations. Joint ventures are accounted for using the equity method, proportionate consolidation is not permitted under AASB 11. Joint operations are accounted for by incorporating the venturer's share of assets, liabilities, income and expenses into the financial statements. There were no changes to the accounting for joint arrangements under AASB 11.

AASB 12 *Disclosure of Interests in Other Entities* includes all disclosures relating to an entity's interest in associates, joint arrangements, subsidiaries and structured entities. On adoption of AASB 12, additional disclosures have been included in the financial statements in relation to investments held.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

In accordance with the transition provisions in the standard, the comparative figures have been restated.

Notes to the Financial Statements

For the Year Ended 30 June 2014

2 Revenue and Other Income

Revenue from continuing operations

Finance income includes all interest-related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2014	2013
Note	\$	\$
Operating activities		
- fees received	1,145,364	1,082,038
- member subscriptions	4,600	5,000
- ELT Management conference income	213,138	180,162
- other income	6,231	2,900
	<u>1,369,333</u>	<u>1,270,100</u>
Finance income		
- other interest received	46,476	69,825
	<u>1,415,809</u>	<u>1,339,925</u>
Total Revenue	<u>1,415,809</u>	<u>1,339,925</u>

3 Result for the Year

2014	2013
\$	\$

The result for the year includes the following specific expenses:

Impairment of receivables:		
- Trade and other receivables	14,916	(8,982)
Rental expense on operating leases:		
- Rent	160,303	172,474
(a) Expenses	2014	2013
	\$	\$
Depreciation and amortisation expense	<u>18,559</u>	<u>17,486</u>

Notes to the Financial Statements

For the Year Ended 30 June 2014

4 Cash and cash equivalents

	2014	2013
	\$	\$
Cash in hand	-	920
Cash at bank	884,978	1,085,374
	<u>884,978</u>	<u>1,086,294</u>

5 Trade and other receivables

CURRENT

Trade receivables	69,975	24,687
Provision for impairment	(14,916)	(9,090)
	<u>55,059</u>	15,597
Other receivables	3,778	12,447
Fee owing from AMEP Project	103,013	90,750

Total current trade and other receivables

	<u>161,850</u>	<u>118,794</u>
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6 Other financial assets

CURRENT

Interest bearing bank term deposits	535,245	583,405
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NON-CURRENT

Interest bearing bank term deposit	50,000	50,000
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a) The bank term deposits have fixed interest rates of 3.7% (2013: 4.5% and 5.8%). The term deposit mature within 12 months terms.

b) The bank term deposit has fixed interest rates of 6.8%. The term deposit has a term of 60 months and matures on the 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.

7 Property, plant and equipment

PLANT AND EQUIPMENT

	2014	2013
Note	\$	\$
Plant and equipment		
At cost	87,382	87,383
Accumulated depreciation	(52,765)	(36,670)
Total plant and equipment	<u>34,617</u>	<u>50,713</u>

Notes to the Financial Statements
For the Year Ended 30 June 2014

7 Property, plant and equipment continued

Leased improvements at cost	24,273	9,550
Accumulated depreciation	(2,953)	(1,630)
Total leased plant and equipment	<u>21,320</u>	<u>7,920</u>
Total plant and equipment	<u>55,937</u>	<u>58,633</u>
Total property, plant and equipment	<u><u>55,937</u></u>	<u><u>58,633</u></u>

(a) Movements in Carrying Amounts

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

	Plant and Equipment \$	Total \$
Year ended 30 June 2014		
Balance at the beginning of year	58,633	58,633
Additions	14,722	14,722
Depreciation	(17,418)	(17,418)
Balance at the end of the year	<u><u>55,937</u></u>	<u><u>55,937</u></u>

8 Intangible Assets

	2014 \$	2013 \$
Computer software Cost	33,075	-
Accumulated amortisation and impairment	(1,141)	-
Net carrying value	<u>31,934</u>	<u>-</u>
Total Intangibles	<u><u>31,934</u></u>	<u><u>-</u></u>

9 Other non-financial assets

	2014 \$	2013 \$
CURRENT Prepayments	<u>5,340</u>	<u>8,043</u>

Notes to the Financial Statements

For the Year Ended 30 June 2014

10 Trade and other payables

	2014	2013
	\$	\$
CURRENT		
Trade payables	16,255	27,651
Other payables & accrued expenses	43,124	86,142
Annual leave entitlements	37,055	57,651
	<u>96,434</u>	<u>171,444</u>

11 Provisions

CURRENT		
Long service leave entitlements	<u>55,540</u>	38,226
NON-CURRENT		
Long service leave entitlements	<u>-</u>	<u>18,675</u>

12 Other Liabilities

Current		
Deferred income	<u>68,405</u>	<u>52,217</u>

(a) Operating leases

	2014	2013
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	72,163	168,198
- between one year and five years	288,651	379,761
	<u>360,814</u>	<u>547,959</u>

13 Financial Risk Management

The company's overall risk management programme seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effect on financial performance. Risk management policies include managing the operations based on cash flow budget requirements which are approved by the Board of Directors.

Company's principle financial instruments mainly consist of cash and term deposits with banks, trade receivables and other payables and trade 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, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2014

13 Financial Risk Management continued

Objectives, policies and processes

Risk management is carried out by the Company's Board of Directors. The Chief Executive Officer has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company, these policies and procedures are then approved by the board of directors and tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure.

Specific information regarding the mitigation of each financial risk to which Company is exposed is provided below.

Net fair values

Fair value estimation

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to [enter details].

14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014 (30 June 2013:None).

15 Related Parties

Directors can be employees of the 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 \$35,817 (2013: \$61,930) in the performance of their duties.

16 Cash Flow Information

(a) Reconciliation of cash

2014	2013
\$	\$

Notes to the Financial Statements

For the Year Ended 30 June 2014

16 Cash Flow Information continued

(a) Reconciliation of cash continued

	2014	2013
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Loss for the year	(119,702)	(327,865)
Non-cash flows in (loss) profit		
Depreciation and amortisation	18,559	17,486
Bad Debt write-offs	16,188	-
Decrease in trade and other receivables	7,807	18,312
Decrease in prepayments	-	1,969
Increase/ (Decrease) in trade and other payables	(54,414)	11,665
Decrease in provision for long service leave entitlements	(21,957)	(2,680)
Decrease in other liabilities	-	(33,001)
Net cash (outflow) inflow from operations	(153,519)	(314,114)

17 Events Occurring After the Reporting Date

The financial report was authorised for issue on 16 October 2014 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which 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 future financial years.

National ELT Accreditation Scheme Limited

ABN:29 003 980 667

Directors' Declaration

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 7 to 21, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2014 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.

Director

Director

Dated

National ELT Accreditation Scheme Ltd

ABN:29 003 980 667

Independent Audit 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, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 gives a true and fair view and 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of National ELT Accreditation Scheme Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

National ELT Accreditation Scheme Ltd

ABN:29 003 980 667

Independent Audit Report to the members of National ELT Accreditation Scheme Ltd

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 2014 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*.

Bentleys NSW Audit Pty Ltd

Robert Evett
Director
Sydney

Dated: