



NESA Financial Statements 2008/09

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Directors' report

For the year ended 30 June 2009

Your directors present their report on the company for the financial year ended 30 June 2009.

1. General information

Directors

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

Names	Position	Appointed/Resigned
Xavier Francis Crimmins		
Jules Vandyke		
Peter Ronald Richardson AM		Resigned 20 November 2008
David Francis Thompson AM		Resigned 20 November 2008
Joanne Bakas		Resigned 20 November 2008
Andrew Hills		
Kevin Ayre		Resigned 5 April 2009
Harold Ritch		
Julie Anne Graham		
Philip Murray		
Katrina Spies		Appointed 20 November 2008
Con Kittos		Appointed 5 June 2009
Geoff Breust		Appointed 5 June 2009

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

Company Secretary

The following person held the position of company secretary at the end of the financial year:
Sally Sinclair, BSC (Hons)

Directors' report

For the year ended 30 June 2009

1. General information continued

a Directors meetings

10 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
Xavier Crimmins	10	10
Joanne Bakas	3	3
Jules Vandyke	10	9
David Francis Thompson	3	2
Peter Ronald Richardson	3	2
Andrew Hills	10	7
Kevin Ayre	5	4
Harold Ritch	10	9
Katrina Spies	8	4
Con Kittos	1	1
Geoff Breust	1	1
Julie Anne Graham	10	9
Philip Murray	10	9

b Principal Activities

The principal activities of National Employment Services Association Limited during the financial year were to provide services to members and group subscribers in accordance with the company's objectives as specified in the constitution.

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

c Business review

A review of the operations of the company during the financial year and the results of those operations show that the company made a profit of \$110,997 (2008 \$40,402).

d Events subsequent to balance date

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.

e Likely developments

The current strategic plan has incorporated forecasts which indicate further growth in membership and services which will support economic viability in the coming fiscal year.

f Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory

Directors' report

For the year ended 30 June 2009

1. General information continued

g Dividends and Options

The company is precluded from the declaration or payment of dividends by its Constitution. The company is a company limited by guarantee and as such cannot issue options.

h Information on Directors

Xavier Francis Crimmins

Qualifications	Advanced Diploma of Project Management from the Australian College of Project Management (AQF6)
Experience	Xavier has led the Campbell Page team for the past 10 years bringing 15 years experience and an extensive management background in Industry and Community sectors and qualifications in Project Management.
Special Responsibilities	Chair of NESA Board since late 2006 Member of the Nominations and Successions Committee

Jules Vandyke

Qualifications	Certificate IV Employment Services; Sydney Leadership Program 2008; Graduate Certificate Training (Action Learning)
Experience	Director NESA since 2004, Executive Director Leichhardt Community Youth Association Trading as InnerSkill since 1989 22 Years Management experience at CEO level
Special Responsibilities	Deputy Chair 2007-2008 Chair Nominations and Succession Committee 2007-current

Andrew Hills

Experience	NESA Board 2006-current
Special Responsibilities	Chair/Convenor Audit and Risk Committee Member of Nominations and Successions committee

Harold Ritch

Qualifications	Cert IV in Business (Administration); Cert IV in Business (Employment Services); Diploma in Business (Employment Services) current; Diploma in Business (Leadership) current
Experience	17 years in Industry CEO of Tablelands Community Employment and Training Inc. (5+ years) NESA Board 2006-2009
Special Responsibilities	Member Audit and Risk Committee

Directors' report

For the year ended 30 June 2009

1. General information continued

h Information on Directors continued

Julie Anne Graham

Qualifications	Graduate Certificate in Case Management and Client Services; Graduate Diploma in Human Resource Management
Experience	18 years senior management positions including 9 in hospitality and 9 in employment services industry, Board Director of Jobs Australia – 4 years (Chair of Audit Committee for past 2 years) and Board member – Geelong Region Vocational Education Council – 1 year Committee Member.
Special Responsibilities	Member Audit and Risk Committee

Philip Murray

Qualifications	BA (Economics); Grad Dip (Religion Studies); MA (Theology).
Experience	40 years in employment services industry inc. 20 years at national policy, program management and company management levels Board member of STEC (an RTO)
Special Responsibilities	Member of NESA Board Nominations and Successions Committee

Katrina Spies

Qualifications	Bachelor of Education; Bachelor of Psychology
Experience	Commenced on NESA Board mid 2001 through until retiring in November 2006. Commenced again in November 2007 and currently a Director of the National Senepol Beef Cattle Breeders Association (just completed first year of a two year term). Past President of Mareeba Rotary Club (also held various directorships)
Special Responsibilities	Served as SIG convenor for Rural and Remote SIG for approximately 4 years

Con Kittos

Qualifications	Masters Degree in International Business
Experience	Currently a director of Angus Knight Pty Limited, Jobfind Centres Australia Pty Limited, Emerge Learning Pty Limited, SumTotal Australia and New Zealand Pty Limited, Omni Asia Pacific Pty Limited and Turning Point Employment Services Ltd.

Geoff Breust

Qualifications	Bachelor of Arts (Administration and Economics)
Experience	Currently a director of Sureway Employment and Training Pty Ltd, Sureway Skills Training Pty Ltd, Airmaroo Management Pty Ltd and Wagga RSL Club Ltd. Previously a director of Regional Express Holdings Limited, Regional Express Pty Ltd, Rex Freight and Charter Pty Ltd, Rex Investment Holding Pty Ltd, Air Link Pty Ltd and Pel-Air Aviation Pty Ltd.

Directors' report

For the year ended 30 June 2009

i Insurance paid

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$ 185 for each director.

Xavier Francis Crimmins
Jules Vandyke
Peter Ronald Richardson AM
David Francis Thompson AM
Joanne Bakas
Andrew Hills
Kevin Ayre
Harold Ritch
Julie Anne Graham
Philip Murray
Katrina Spies
Con Kittos
Geoff Breust

j Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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

Xavier Francis Crimmins



JULIE ANNE GRAHAM

Dated this *17th* ay of *October* 2009

Auditors independence declaration

For the year ended 30 June 2009

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 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.

Michael Harvey & Co.



George Carydias
Melbourne

Date: 12 October, 2009

Income statement

For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue	3	3,005,152	2,822,652
Employee benefits expense		(1,029,262)	(844,175)
Depreciation, amortisation and impairments	4	(47,527)	(37,991)
Direct Event expenses		(1,288,279)	(1,226,246)
Building		(109,512)	(95,213)
Travel expenses		(97,817)	(82,072)
Consultancy expenses		(22,505)	(58,192)
IT expenses		(46,419)	(54,701)
Other expenses		(252,834)	(383,660)
Total expenses		2,894,155	2,782,250
Profit before income tax		110,997	40,402
Income tax expense	5	-	-
Profit/(loss) for the year		110,997	40,402

Balance sheet

For the year ended 30 June 2009

	Note	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	695,215	728,765
Trade and other receivables	7	163,004	504,848
Financial assets	8	50,000	-
Other current assets	9	219,857	137,371
Total current assets		1,128,076	1,370,984
Non-current assets			
Property, plant and equipment	10	91,626	70,339
Total non-current assets		91,626	70,339
TOTAL ASSETS		1,219,702	1,441,323
LIABILITIES			
Current liabilities			
Trade and other payables	11	102,953	272,571
Short-term provisions	12	84,207	65,952
Other current liabilities	13	14,355	219,610
Total current liabilities		201,515	558,133
Non-current liabilities			
Other long-term provisions	12	24,000	-
Total non-current liabilities		24,000	-
TOTAL LIABILITIES		225,515	558,133
NET ASSETS		994,187	883,190
EQUITY			
Accumulated surpluses		994,187	883,190
TOTAL EQUITY		994,187	883,190

Statement of changes in equity

For the year ended 30 June 2009

2009	Note	Retained Earnings \$	Total \$
Balance at 1 July 2008		883,190	883,190
Profit (Loss) for the year		110,997	110,997
Balance at 30 June 2009		994,187	994,187

2008	Note	Retained Earnings \$	Total \$
Balance at 1 July 2007		842,788	842,788
Profit (Loss) for the year		40,402	40,402
Balance at 30 June 2008		883,190	883,190

Statement of cash flows

For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Cash from operating activities:			
Receipts from customers		3,364,261	2,425,866
Payments to suppliers and employees		(3,360,767)	(2,383,612)
Interest received		83,001	49,350
Net cash provided by (used in) operating activities	14a	86,495	91,604
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		-	414
Payment for investment		(50,000)	-
Acquisition of property, plant and equipment		(70,045)	(33,978)
Net cash provided by (used in) investing activities		(120,045)	(33,564)
Net increase (decreases) in cash held		(33,550)	58,040
Cash and cash equivalents at beginning of year		728,765	670,725
Cash at end of financial year	6	695,215	728,765

Notes to the financial statements

For the year ended 30 June 2009

Note 1 Statement of Significant Accounting Policies

1a General information

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

The financial report of National Employment Services Association Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian 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 to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1c Comparatives

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

1d Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

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 including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

Notes to the financial statements

For the year ended 30 June 2009

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

Plant and Equipment	40%
Computer Software	40%
Low Value Asset Pool	37.5%

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

1e Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the company becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss 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 expires 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 either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

(i) 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. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(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.

(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.

(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.

Notes to the financial statements

For the year ended 30 June 2009

(v) Financial liabilities

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

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

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 income statement.

1f 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 balance sheet.

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.

1g 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 income statement.

1h Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. 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 payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

1i 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.

1j Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

Notes to the financial statements

For the year ended 30 June 2009

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.

1l Revenue

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

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 Balance Sheet as Other Liabilities Note 13.

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. 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 in the balance sheet are shown inclusive of GST.

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

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.

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 based on current trends and economic data, obtained both externally and within the company.

Notes to the financial statements

For the year ended 30 June 2009

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 been provided to.

Key estimates

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

Income Tax calculation based on principle of mutuality

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

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 2009

Note 3 Revenue

	2009 \$	2008 \$
Seminars and Services Provided	701,454	810,222
Member Subscriptions	765,188	661,698
National and International Conferences	1,136,377	800,688
Sponsorships	319,133	500,694
Interest received	83,001	49,349
Total revenue	<u>3,005,152</u>	<u>2,822,652</u>

Note 4 Profit for the Year

Expenses from Ordinary Activities

Depreciation of property, plant and equipment	47,527	37,991
Remuneration of auditor		
Auditing or reviewing the financial report	3,000	6,000
Rental expense on operating leases		
Building	109,512	95,213
Photocopier equipment	8,710	6,900
Telephone equipment	8,400	8,400
Motor vehicle	8,717	-
	<u>135,339</u>	<u>110,513</u>

Notes to the financial statements

For the year ended 30 June 2009

Note 5 Income tax expense

5a The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2009 \$	2008 \$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)	33,299	12,121
Add:		
Tax effect of:		
– non-allowable items items	153	334
	<u>33,452</u>	<u>12,455</u>
Less:		
Tax effect of:		
– profit attributable to members	(31,401)	(12,455)
– non-allowable items	(2,051)	-
Income tax attributable to entity	<u>-</u>	<u>-</u>

Note 6 Cash and cash equivalents

Cash on hand	49	860
Cash at bank	295,166	382,968
Short-term bank deposits	400,000	344,937
	<u>695,215</u>	<u>728,765</u>

Note 7 Trade and other receivables

CURRENT

Trade receivables		133,187	481,763
Other receivables	(a)	29,817	23,085
		<u>163,004</u>	<u>504,848</u>

(a) This receivable relates to the rental bond held relating to the company's office lease.

Notes to the financial statements

For the year ended 30 June 2009

Credit Risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the group is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the company's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the group.

Aged analysis

The ageing analysis of receivables is as follows:

	2009 \$	2008 \$
0-30 days	119,417	373,032
31-60 days	7,535	39,079
61-90 days (past due not impaired)	1,640	65,000
91+ days (past due not impaired)	4,595	4,652
91+ days (not impaired) – rental bond	29,817	23,085
	163,004	504,848

Note 8 Financial assets

8a Available-for-sale Financial Assets Comprise:

	2009 \$	2008 \$
Listed investments, at market value		
Units in managed fund	50,000	-
Total available-for-sale financial assets	50,000	-

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

Notes to the financial statements

For the year ended 30 June 2009

Note 9 Other Assets

	2009 \$	2008 \$
CURRENT		
Prepayments	219,857	137,371
	<u>219,857</u>	<u>137,371</u>

Note 10 Property, plant and equipment

PLANT AND EQUIPMENT

Plant and equipment

At cost	126,590	126,902
Accumulated depreciation	(93,871)	(87,867)
Total plant and equipment	<u>32,719</u>	<u>39,035</u>

Computer software

At cost	137,340	85,825
Accumulated depreciation	(85,185)	(62,001)
Total computer software	<u>52,155</u>	<u>23,824</u>

Low value asset pool

At cost	20,419	25,670
Accumulated depreciation	(13,667)	(18,190)
Total low value asset pool	<u>6,752</u>	<u>7,480</u>
Total property, plant and equipment	<u>91,626</u>	<u>70,339</u>

Notes to the financial statements

For the year ended 30 June 2009

Note 10 Property, plant and equipment continued

Movements in Carrying Amounts

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

	Plant and Equipment	Computer Software	Low Value Pool	Total
	\$	\$	\$	\$
Current Year				
Balance at the beginning of year	39,035	23,824	7,480	70,339
Additions	10,437	56,647	2,960	70,044
Disposals	-	(708)	(522)	(1,230)
Depreciation expense	(16,753)	(27,608)	(3,166)	(47,527)
Carrying amount at the end of year	<u>32,719</u>	<u>52,155</u>	<u>6,752</u>	<u>91,626</u>
Prior Year				
Balance at the beginning of year	26,442	39,926	7,985	74,353
Additions	30,116	-	3,862	33,978
Disposals	656	-	-	656
Depreciation expense	(18,179)	(16,102)	(4,367)	(38,648)
Carrying amount at the end of year	<u>39,035</u>	<u>23,824</u>	<u>7,480</u>	<u>70,339</u>

Notes to the financial statements

For the year ended 30 June 2009

Note 11 Trade and other payables

	2009 \$	2008 \$
CURRENT		
Unsecured liabilities		
Trade payables	84,310	79,752
Sundry payables and accrued expenses	5,880	68,654
Other payables	12,763	124,165
	<u>102,953</u>	<u>272,571</u>

Note 12 Provisions

	Employee entitlements \$	Total \$
Opening balance at 1 July 2008	65,952	65,952
Additional provisions	97,378	97,378
Amounts used	(55,123)	(55,123)
Balance at 30 June 2009	<u>108,207</u>	<u>108,207</u>

Analysis of Total Provisions

	2009 \$	2008 \$
Current	84,207	65,952
Non-current	24,000	-
	<u>108,207</u>	<u>65,952</u>

Note 13 Other Liabilities

CURRENT		
Subscriptions / Fees in Advance	14,355	219,610
Total	<u>14,355</u>	<u>219,610</u>

Notes to the financial statements

For the year ended 30 June 2009

Note 14 Cash Flow Information

14a Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2009 \$	2008 \$
Net income/loss for the period	110,997	40,408
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	47,527	37,991
Net (gain) loss on disposal of property, plant and equipment	1,231	(414)
Preliminary expense write-off	-	872
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	259,358	(362,521)
(Increase)/decrease in prepayments	-	15,498
Increase/(decrease) in trade payables and accruals	(169,618)	359,776
Increase/(decrease) in other current liabilities	(205,255)	-
Increase/(decrease) in provisions	42,255	-
	<u>86,495</u>	<u>91,604</u>

Note 15 Tax

Deferred tax assets

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(k) occur:

- tax losses: operating losses \$36,330 (2008: \$30,015)

Notes to the financial statements

For the year ended 30 June 2009

Note 16 Key Management Personnel Compensation

a Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

(i) Directors

Xavier Francis Crimmins

Jules Vandyke

Peter Ronald Richardson AM

David Francis Thompson AM

Joanne Bakas

Andrew Hills

Kevin Ayre

Harold Ritch

Julie Anne Graham

Philip Murray

Katrina Spies

Con Kittos

Geoff Breust

Position

Chair (non-executive)

Deputy Chairperson (non-executive)

Treasurer (non-executive)

Director (non-executive)

Director (non-executive)

Director (non-executive)

Director (non-executive)

Director (non-executive)

Director (non-executive)

Director (non-executive)

Director (non-executive)

Director (non-executive)

Director (non-executive)

(ii) Executives

Sally Sinclair

Chief Executive Officer and
Company Secretary

Carole Gregson

Conference and Events Manager

Chris Hobson

Business Manager

Annette Gill

Policy Manager

Cath Brown

Finance Manager

Notes to the financial statements

For the year ended 30 June 2009

b Key Management Personnel Compensation

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

	Short-term benefits			Total
	Cash, salary & commissions	Other Benefits	Superannuation	
2009	\$	\$	\$	\$
Total compensation	456,627	59,558	41,097	557,282
2008				
Total compensation	477,118	57,431	37,567	572,116

Note 17 Capital and Leasing Commitments

17a Operating Lease Commitments

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

	2009	2008
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	141,633	127,886
- between 12 months and 5 years	326,098	413,564
	467,731	541,450

The company has operating leases on one car, a photocopier, car spaces for employees and office accommodation. These leases vary but expire between August 2012 and April 2013. There are currently no options to renew these leases past these dates.

Notes to the financial statements

For the year ended 30 June 2009

Note 18 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:

	2009 \$	2008 \$
Financial Assets		
Cash and cash equivalents	695,215	728,765
Trade and other receivables	163,004	504,848
Available-for-sale financial assets	50,000	-
	<u>908,219</u>	<u>1,233,613</u>
Financial Liabilities		
Trade and other payables	102,953	272,571
	<u>102,953</u>	<u>272,571</u>

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cashflow requirements.

The main purpose for non-derivative financial instruments is to raise finance for group operations.

The company does not have any derivative financial instruments at year end.

The main risks the company is exposed to through its financial instruments are interest rate risk, credit risk, price risk and liquidity risk.

Notes to the financial statements

For the year ended 30 June 2009

Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions;

Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors commodities.

The company is not exposed to any material commodity price risk.

Credit Risk

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Notes to the financial statements

For the year ended 30 June 2009

Note 18 Financial Risk Management continued

Interest Rate Risk

(i) Financial instrument composition and maturity analysis

The company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Non-interest Bearing		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	%	%	%	%	%	%	%	%
Financial Assets:										
Cash and cash equivalents	3.98	5.03	290,763	383,528	400,000	344,937	4,452	300	695,215	728,765
Receivables	5.60	5.00	-	-	29,817	23,085	133,187	481,763	163,004	504,848
Investments	-	-	-	-	-	-	50,000	-	50,000	-
Total Financial Assets			290,763	383,528	429,817	368,022	187,639	482,063	908,219	1,233,613
Financial Liabilities:										
Trade and sundry payables	-	-	-	-	-	-	102,953	272,571	102,953	272,571
Total Financial Liabilities			-	-	-	-	102,953	272,571	102,953	272,571

Notes to the financial statements

For the year ended 30 June 2009

Note 18 Financial Risk Management continued

Sensitivity analysis

The company has performed a sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Risk Sensitivity Analysis

The directors consider that the only material market rate risk arises in relation to the holdings of investments. Should share markets have increased/decreased by 10%, the impact on company's equity would have been approximately \$5,000.

Note 19 Change in Accounting Policy

The following Australian Accounting Standards issued or amended and are applicable to the association but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standard Affected	Outline of Amendment	Application Date of Standard	Application Date for the Entity
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 5: Non-current Assets Held for Sale and Discontinued Operations AASB 6: Exploration for and Evaluation of Mineral AASB 102: Inventories AASB 107: Cash Flow Statements AASB 119: Employee Benefits AASB 127: Consolidated and Separate Financial Statements AASB 134: Interim Financial Reporting AASB: 136: Impairment of Assets	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures. However it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report as the association does not fall within the scope of AASB 8.	1 January 2009	1 July 2009

Notes to the financial statements

For the year ended 30 June 2009

AASB Amendment	Standard Affected	Outline of Amendment	Application Date of Standard	Application Date for the Entity
	AASB 1023: General Insurance Contracts	As above	1 January 2009	1 July 2009
	AASB 1038: Life Insurance Contracts			
AASB 8: Operating Segments	AASB 114: Segment Reporting	As above	1 January 2009	1 July 2009
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1: First-time Adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007	1 January 2009	1 July 2009
	AASB 101: Presentation of Financial Statements	has removed the option to expense all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.		
	AASB 107: Cash Flow Statements			
	AASB 111: Construction Contracts			
	AASB 116: Property, Plant and Equipment	However, there will be no direct impact to the amounts included in the association as it already capitalises borrowing costs related to qualifying assets.		
	AASB 138: Intangible Assets			
AASB 123: Borrowing Costs	AASB 123: Borrowing Costs	As above	1 January 2009	1 July 2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in recognised income and expenditure.	1 January 2009	1 July 2009
AASB 101	AASB 101: Presentation of Financial Statements	As above	1 January 2009	1 July 2009

Notes to the financial statements

For the year ended 30 June 2009

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 2009 the number of members was 234 (2008: 203).

Note 21 Company Details

Registered office

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

Directors' declaration

For the year ended 30 June 2009

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 32, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 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

Xavier Francis Crimmins



Date: 7/10/09

Independent audit report

For the year ended 30 June 2009

MICHAEL HARVEY & CO PTY LTD

ABN 76 007 324 094

Accountants

49 Stanley Avenue, Mount Waverley Vic 3149

Postal Address
P O Box 443 Mount Waverley Vic 3149

Telephone (03) 9543 2911
Facsimile (03) 9543 2223

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 balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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. These 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 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 entity's preparation and fair presentation of the financial report 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 Australian professional ethical pronouncements.

Independent audit report

For the year ended 30 June 2009

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
NATIONAL EMPLOYMENT SERVICES ASSOCIATION LIMITED**
(continued)

Audit Opinion

In our opinion:

- a. 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 2009 and of its performance for the financial year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. the financial report also complies with International financial Reporting Standards as disclosed in Note 1.



Michael Harvey & Co Pty Ltd
Chartered Accountants
George Carydias
Registered Company Auditor

49 Stanley Avenue, Mount Waverley, Melbourne, Victoria, 3149

12 October, 2009