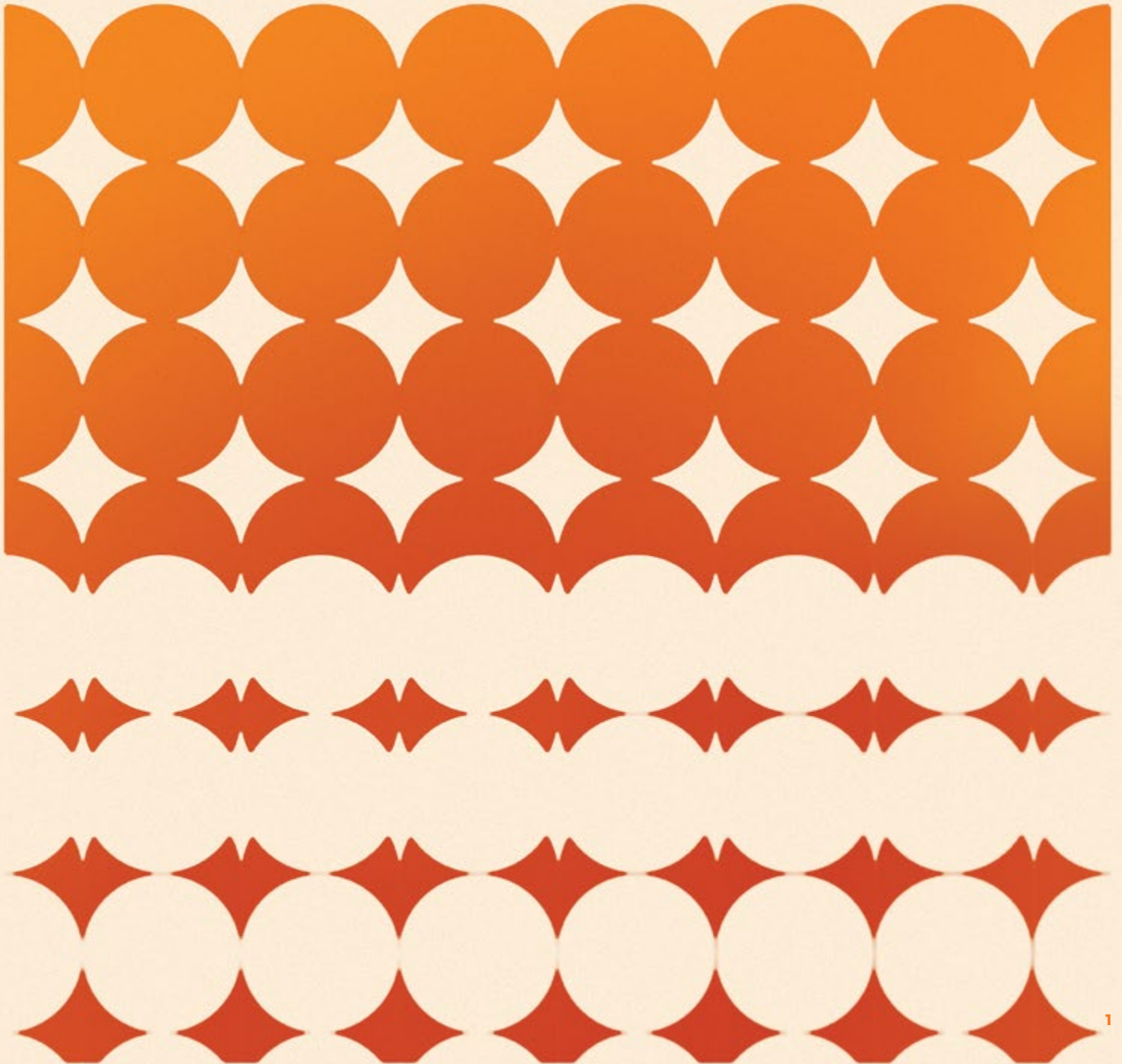


North East Local
Learning and
Employment Network

2022
Financial
Report



North East Local
Learning and
Employment Network

North East Local Learning and
Employment Network Inc.

ABN 42 037 851 864

Financial Statements

For the year ended
31 December 2022

Creating Futures for Young People

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Statement of profit or loss and other comprehensive income

North East Local Learning and Employment Network Inc.

ABN 42 037 851 864

Financial Statements

For the year ended
31 December 2022

The provided statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Notes	2022 \$	2021 \$
Revenue	2	732,660	915,363
Employee costs		433,203	567,690
Administration expenses		133,435	74,243
Depreciation expenses	5	13,752	14,452
Motor vehicle expense		26,823	16,692
Rent and outgoings		33,893	52,166
Program Expenses		142,236	88,193
Repairs and maintenance		7,607	8,722
Surplus before income tax expense		(58,289)	93,205
Income tax expense	1(c)	-	-
Net surplus		(58,289)	93,205
Other comprehensive income -			
Total comprehensive result for the year		(58,289)	93,205

The provided statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Notes	2022 \$	2021 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	3	560,115	336,871
Trade and other receivables	4	335,423	384,856
Total current assets		895,538	721,727
<i>Non-current assets</i>			
Property, plant & equipment	5	73,642	37,913
Total non-current assets		73,642	37,913
Total assets		969,180	759,640
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	6	623,684	380,041
Employee Benefits	7	37,936	15,698
Total current liabilities		661,620	395,739
<i>Non-current liabilities</i>			
Employee Benefits	7	1,948	–
Total non-current liabilities		1,948	–
Total liabilities		663,568	395,739
Net Assets		305,612	363,901
Equity			
Accumulated Surplus		305,612	363,901
Total equity		305,612	363,901

Statement of changes in equity

North East Local Learning and Employment Network Inc.

Financial Statements

ABN 42 037 851 864

For the year ended
31 December 2022

The provided statement of changes in equity should be read in conjunction with the accompanying notes.

		2022	2021
		\$	\$
Accumulated surplus			
Accumulated surplus at the beginning of the financial year		363,901	270,696
Net surplus (deficit) for the year		(58,289)	93,205
Accumulated surplus at the end of the financial year		305,612	363,901

Statement of cash flows

The provided statement of changes in equity should be read in conjunction with the accompanying notes.

		2022	2021
	Notes	\$	\$
Cash flows from operating activities			
Receipts from grant funding and sponsorships		997,236	956,341
Cash payments in the course of operations		(741,885)	(802,657)
Interest received		1,408	-
Net cash inflow/(outflow) from operating activities	9	256,759	153,684
Cash flows from investing activities			
Payments for property, plant & equipment	5	(69,424)	-
Proceeds from sale of Non Current assets		35,909	-
Net cash inflow/(outflow) from investing activities		(33,515)	-
Net increase/(decrease) in cash and cash equivalents held		223,244	153,684
Cash and cash equivalents at the beginning of the financial year		336,871	183,187
Cash and cash equivalents at the end of the financial year		3560,115	336,871

Note 1.
**Summary of significant
accounting policies**

(a) Basis of accounting

In the Committee of Management's opinion, North East Local Learning and Employment Network Inc. is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared for the sole purpose of complying with the requirements of the *Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012* to prepare and distribute financial statements to the members and must not be used for any other purpose. The Committee of Management has determined that the accounting policies adopted are appropriate to meet the needs of the members.

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The Association has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently where appropriate the Association has elected to apply exemptions within the AIFRS which are applicable to not-for-profit entities.

These special purpose financial statements do not comply with all the recognition and measurement requirements in Australian Accounting Standards. The recognition and measurement requirements that have not been complied with are those specified in:

- AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities as, in accounting for income, recognition of certain grant income has been deferred, until the period the grant relates to, without assessing whether there are enforceable performance obligations to transfer a good or service to a third party which are sufficiently specific to know when the performance obligation has been satisfied.
- AASB 16 Leases, as lease accounting has not been applied, meaning lease payments are charged as an expense in the period in which they are incurred

In addition, these special purpose financial statements have been prepared in accordance with the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1048 Interpretation of Standards and AASB 1054 Australian Additional Disclosures, as appropriate for not-for-profit oriented entities.

(b) Revenue Recognition

(i) Grants

Grants are recognised as revenues when the Association obtains control over the asset. Control over granted assets usually occurs at the time they are received. However, grants are recognised as revenue over the funding period on a monthly basis. Any amounts of grants received at balance date that relates to subsequent financial years will not be brought to account as revenue and are disclosed as a liability called income in advance (note 6). Where program expenditure has been incurred prior to the receipt of grant funding, these amounts are brought to account as revenue and a corresponding asset called Accrued Revenue.

**Note 1.
Summary of significant
accounting policies (cont.)**

(b) Revenue Recognition (cont.)

(ii) Interest

Interest revenue is recognised on an accrual basis, taking into account the interest rates applicable to the financial assets.

(c) Income Tax

North East Local Learning and Employment Network Inc. is exempt from income tax.

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(e) Trade and other receivables

Debtors are brought to account at their nominal amounts. A provision for doubtful debts is raised when some doubt as to collection exists.

(f) Property, plant and equipment

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Assets under the value of \$1,000 are expensed as incurred.

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated using the prime cost and diminishing value method to write off the cost of the asset over its expected useful life. The depreciation rates applied are as follows:

	2022	2021
Plant and Equipment	10-33%	10-33%
Motor Vehicles	25%	25%
Office Equipment	10-40%	10-40%
Leasehold Improvements	16.67%	

Note 1.
**Summary of significant
accounting policies (cont.)**

(g) Impairment of assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. As the Association is a not-for-profit entity, the value in use is the depreciated replacement cost of the asset.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within normal trading terms.

(i) Employee Entitlements

(i) Annual leave

A liability for annual leave is recognised, and is measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) Long service leave

A liability for long service leave is recognised and is measured at 100% of the entitlement at the reporting date for all employees with 5 years' service or more.

(iii) Portable Long Service Leave

In addition to traditional long service, Victoria offers portable long service benefits for eligible workers in the community services sector. The Portable Long Service Benefits Scheme allows eligible workers to build up long service entitlements based on time spent in their industry, rather than with a single employer. The Company has identified employees eligible for portable long service benefits in Victoria and pays a levy to the respective Authorities. In the year ended 31 December 2022, the Company was invoiced and paid long service leave benefits to the value of \$2,213 to the Portable Long Service Authority.

(j) Goods and Services Tax

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 Tax 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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(k) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Note 2. Revenue		2022	2021
		\$	\$
	Government grants	709,981	873,790
	Interest income	1,408	–
	Subsidies received - <i>Jobkeeper (COVID-19 stimulus)</i>	–	30,000
	Other income	21,271	11,573
	Total Revenue	732,660	915,363

Note 3. Current assets - Cash and cash equivalents			
	Cash on hand	111	366
	Cheque account <i>National Australia Bank</i>	–	4,529
	<i>Cheque account Bendigo Bank</i>	18,926	–
	Debit Card <i>Bendigo Bank</i>	4,703	–
	Cash maximiser account <i>Bendigo Bank</i>	536,375	–
	Cash maximiser account <i>National Australia Bank</i>	–	331,976
		560,115	336,871

Note 4. Current assets – Trade and other receivables			
	Trade Receivables	330,435	376,063
	Sundry receivables	4,988	8,793
		335,423	384,856

Note 5.		2022	2021
Non-current assets -		\$	\$
Property, plant and equipment			
	Plant and equipment – At cost	7,414	3,039
	Less: Accumulated depreciation	(3,031)	(2,411)
		4,383	628
	Motor Vehicles – At Cost	36,710	47,937
	Less: Accumulated depreciation	(4,451)	(24,880)
		32,259	23,057
	Office Equipment – At cost	48,104	41,012
	Less: Accumulated depreciation	(31,909)	(26,784)
		16,195	14,228
	Leasehold Improvements – At Cost	21,247	–
	Less: Accumulated depreciation	(442)	–
		20,805	
	Total Property, Plant & Equipment	73,642	37,913

Reconciliations.

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

	Plant & Equipment	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
Carrying amount at the beginning of the year	628	23,057	14,228	–	37,913
Additions	4,375	36,710	7,092	21,247	69,424
Disposals	–	(19,942)	–	–	(19,942)
Depreciation	(620)	(7,566)	(5,125)	(442)	(13,753)
Carrying amounts at the end of the year	4,383	32,259	16,195	20,805	73,642

Note 6.		2022	2021
Current liability - Trade and other payables		\$	\$
	Income in advance	532,391	299,875
	Trade creditors	42,87	29,496
	Net GST payable	48,406	50,670
		623,684	380,041

Note 7.			
Provisions			
	<i>Current</i>		
	Provision for annual leave	22,651	15,698
	Provision for long service leave	15,285	-
		37,936	15,698
	<i>Non-Current</i>		
	Provision for long service leave	1,948	-

Note 8.			
Commitments for expenditure			
	Operating leases.		
	<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
	Within one year	29,500	22,750
	Later than one year but not later than 5 years	59,000	-
		88,500	43,084

Note 9.
**Reconciliation of surplus
to net cash inflow from
operating activities**

	2022	2021
	\$	\$
Surplus (deficit) after income tax	(58,289)	93,205
Depreciation	13,753	14,452
Net (Profit)/Loss on sale of fixed assets	(15,967)	300
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	49,433	44,986
Increase/(Decrease) in trade and other payables	243,643	18,459
Increase/(Decrease) in provisions for employees	24,186	(17,718)
	256,759	153,684

Note 10.
**Events occurring after
the balance date**

No matter or circumstance has arisen up to the date of the signing of these statements that has significantly affected, or may significantly affect the Association's operations in future financial years, or the results of those operations in future financial years, or the Association's state of affairs in future financial years.

Note 11.
**Contingent assets
and liabilities**

The Committee of Management are not aware of any contingent assets or liabilities that may exist as at 31 December 2022.

Note 12.
Economic Dependency

North East Local Learning and Employment Network Inc. is reliant on ongoing funding from the Department of Education and Training.


As stated in Note 1(a) to the financial statements, in the opinion of the Committee of Management, North East Local Learning and Employment Network Inc. is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements that have been prepared to meet the requirements of the Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared in accordance with applicable accounting standards and mandatory professional reporting requirements to the extent described in Note 1(a). The Committee of Management declares that the financial statements and notes set out on pages 1 to 10:

- a) comply with the Accounting Standards and other mandatory professional reporting requirements as detailed above, and the Association Incorporations Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012; and
- b) give a true and fair view of North East Local Learning and Employment Network Inc.'s financial position as at 31 December 2022, and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the opinion of the Committee of Management, there are reasonable grounds to believe that North East Local Learning and Employment Network Inc. 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 Committee of Management.



Virginia Mansel Lees
Chairperson



John Williams
Treasurer

23 February 2023

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for Young People

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