
North Central Local Learning And Employment Network Inc.

ABN: 93 103 445 051

Financial Statements

For the Year Ended 31 December 2020

North Central Local Learning and Employment Network Inc.

31 December 2020

CONTENTS	Page
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Financial Declaration for Responsible Person	22
Independent Auditor's Report	23

North Central Local Learning and Employment Network Inc.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue	2	891,004	620,731
Salaries and employee benefits expense		(648,477)	(515,276)
Depreciation expense	3	(50,652)	(17,591)
Finance costs	3	(3,380)	(932)
Project costs		(112,856)	(83,805)
Motor vehicle expenses		(15,111)	(40,765)
Administration and association costs		(52,275)	(50,350)
Occupancy and associated costs		(18,062)	(20,492)
Advertising and promotional costs		(5,750)	(15,069)
Other expenses		(8,201)	(903)
Deficit before income tax expense		(23,760)	(124,452)
Income tax expense		-	-
Deficit after income tax expense		(23,760)	(124,452)
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		(23,760)	(124,452)

The accompanying notes form part of these financial statements

North Central Local Learning and Employment Network Inc.

Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	4	338,256	559,823
Trade and other receivables	5	302,751	41,845
Other current assets	6	-	2,130
Total current assets		641,007	603,798
Non-current assets			
Property, plant and equipment	7	1,030	1,471
Right-of-use assets	8	46,430	83,103
Total non-current assets		47,460	84,574
Total assets		688,467	688,372
Current liabilities			
Trade and other payables	9	84,762	69,524
Other liabilities	10	275,229	269,832
Lease liabilities	11	48,146	47,551
Provisions	12	62,371	38,993
Total current liabilities		470,508	425,900
Non-current liabilities			
Lease liabilities	11	1,175	35,552
Provisions	12	20,515	6,891
Total non-current liabilities		21,690	42,443
Total liabilities		492,198	468,343
Net assets		196,269	220,029
Equity			
Retained earnings		196,269	220,029
Total equity		196,269	220,029

North Central Local Learning and Employment Network Inc. Statement of Changes in Equity

For the Year Ended 31 December 2020

	Note	Retained Earnings \$	Total Equity \$
Balance at 1 January 2019		344,481	344,481
Deficit attributable to the entity		(124,452)	(124,452)
Total other comprehensive income for the year		-	-
Balance at 31 December 2019		220,029	220,029
Deficit attributable to the entity		(23,760)	(23,760)
Total other comprehensive income for the year		-	-
Balance at 31 December 2020		196,269	196,269

North Central Local Learning and Employment Network Inc. Statement of Cash Flows

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		693,629	920,827
Payments to suppliers and employees		(860,099)	(724,652)
Short-term and low-value lease payments		(7,585)	(43,779)
Interest received		3,188	5,606
Interest paid		(3,380)	(932)
Net cash provided by / (used in) operating activities	14	(174,247)	157,070
Cash flows from financing activities			
Payment of principal component of lease liability		(47,320)	(17,387)
Net cash used in financing activities		(47,320)	(17,387)
Net increase / (decrease) in cash held		(221,567)	139,683
Cash and cash equivalents at the beginning of the financial year		559,823	420,140
Cash and cash equivalents at the end of the financial year	4(a)	338,256	559,823

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 1. Summary of Significant Accounting Policies

The financial statements were authorised for issue 11 March 2021 by the committee.

Basis of preparation

North Central Learning and Employment Network Inc. applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting policies

(a) Revenue

Revenue recognition

Operating grants, donations and bequests

When the association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the association:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time of which services are rendered.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the association recognises income in profit or loss when or as it satisfies its obligations under the contract.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 1. Summary of Significant Accounting Policies (continued)

(a) Revenue (continued)

Payment of operating grants, donations and bequests are typically due either at the inception of the contract, or as and when applicable payment milestones are satisfied, which may occur over the term of the contract. Such contracts do not typically contain a significant financing component. Where such contracts contain variable consideration, the recognition of such consideration is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

Volunteer services

A not-for-profit entity may, as an accounting policy choice, elect to recognise volunteer services, if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. As an accounting policy choice, the association has elected not to recognise such volunteer contributions as revenue and expenditure within profit or loss. This election has no impact on the association's profit or loss or net assets.

Interest income

Interest income is recognised using the effective interest method.

(b) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(c) Income tax

The association is exempt from paying income tax under section 50-45 of the *Income Tax Assessment Act 1997* and subsequently has not been charged any income tax expense.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(e) Trade and other receivables

Trade and other receivables include amounts from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1 (h) for further discussions on the determination of impairment losses.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 1. Summary of Significant Accounting Policies (continued)

(f) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (i) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the profit or loss during the financial period which they occur.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line or diminishing value basis over the asset's useful life commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rate
Plant and equipment	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they occur.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 1. Summary of Significant Accounting Policies (continued)

(g) Leases

Lease recognition

The association as lessee

At inception of a contract, the association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the association where the association is a lessee.

However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets (i.e. fair value less than \$5,000 - \$10,000) are recognised as an operating expense on a straight-line basis over the term of the lease. The association's office premises lease satisfies the short-term lease exemption criteria.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at lease commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- the amount expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- lease payments under extension options, if the lessee is reasonably certain to exercise the options
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The association's photocopier lease contains a variable payment term that is not linked to an index or rate. Such variable lease payments that depend on the usage of the photocopier and are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The association has no lease arrangements which have significantly below-market terms and conditions. Each of the association's lease arrangements are for use in the production of supply of goods or services, or for administrative purposes.

North Central Local Learning and Employment Network Inc. Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 1. Summary of Significant Accounting Policies (continued)

(h) Financial instruments

The association's financial instruments consist mainly of deposits with banks, receivables, payables and leases.

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable). For the purpose of subsequent measurement, financial assets are classified into amortised costs. The association does not utilise hedging instruments.

Classifications are determined by both:

- the association's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The association's cash and cash equivalents and trade and other receivables fall into this category of financial instruments.

Impairment of financial assets

The association makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The association uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 1. Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)*Classification and measurement of financial liabilities*

The association's financial liabilities include trade and other payables and borrowings. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss. The association does not utilise derivative financial instruments.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(i) Impairment of assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

(j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Provisions

Provisions are recognised when the association 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

North Central Local Learning and Employment Network Inc. Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 1. Summary of Significant Accounting Policies (continued)

(l) Employee benefits*Short-term employee benefits*

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(m) Comparative figures

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

When the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(n) Critical accounting estimates and judgements

The committee members evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key estimates*Impairment*

The association assesses impairment at each reporting period by evaluating the conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amount of the relevant assets are reassessed using the value-in-use calculation which incorporates various key assumptions.

Useful lives of property, plant and equipment

The association reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 1. Summary of Significant Accounting Policies (continued)

(n) Critical accounting estimates and judgements (continued)

Key judgments

Identifying performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

Determination and timing of revenue recognition under AASB 15

For each revenue stream, the association applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

Revenue from government grants and other community funding agreements is recognised once the performance obligation/s under the government grant or funding agreement are satisfied. Performance obligations are typically satisfied over time, being over the term of the project. The association measures its progress towards satisfying its performance obligations, which are generally satisfied over time, based on an appropriate output method (such as the number of individuals who have participated in the program at a particular point in time in proportion to the underlying obligation).

Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the association will make.

The association determines the likelihood to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the association, in addition to the following:

- If there are significant penalties to terminate (or not to extend), the association is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the association is typically reasonably certain to extend (or not terminate).
- Otherwise, the association considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Short-term lease arrangements

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease.

The association entered into an option to extend the initial lease term of the associations office premises, which expired during the year ended 31 December 2019. The premises is currently being leased on a month to month basis, with no significantly penalties imposed to either party should the agreement be terminated. There is no purchase option included in the lease agreement. The association has treated the office premises as a short-term lease, with such payments being disclosed in profit or loss.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 1. Summary of Significant Accounting Policies (continued)

(n) Critical accounting estimates and judgements (continued)

Key judgments

Borrowing rate under AASB 16

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the association's leases, the association's incremental borrowing rate is used, being the rate that the association would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the association:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The association expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

(o) Economic dependence

The association is economically dependent on the State of Victoria for grant funding used to fund its operations and various programs. At the date of this report, the committee have no reason to believe that continued support will not be forthcoming.

(p) New accounting standards applicable for future periods not yet adopted

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatory applicable to the association and their potential impact on the association when adopted in future periods is discussed below.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (March 2020) and associated amending Standards (applicable for annual reporting periods commencing on or after 1 January 2021). Early application is permitted. When effective, this Standard, which is a stand-alone disclosure standard, will replace the current Reduced Disclosure Requirements (RDR) Framework. Adoption is expected to result in more simplified disclosures compared to the current RDR Framework.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 2.	Revenue and Other Income	Note	2020	2019
			\$	\$
	Revenue from contracts with customers	2(a)	558,278	366,455
	Grant revenue without sufficiently specific obligations	2(b)	104,000	103,134
	Other sources of revenue	2(c)	228,726	151,142
			891,004	620,731
(a) Disaggregated revenue				
The association has disaggregated revenue by the association's grants/funding agreements and timing of revenue recognition.				
Grants and funding agreements				
	Department of Education & Training - Structured Workplace Learning		-	127,283
	Department of Education & Training - Local Learning and Employment Network		386,611	202,503
	Department of Health & Human Services - Engage!		36,667	36,669
	Department of Jobs, Precincts and Regions - Business and Youth Action Research Project		35,000	-
	Helen MacPherson Smith Trust - Strong Families Strong Children Buloke		100,000	-
			558,278	366,455
Timing of revenue recognition				
Services transferred to customers:				
	- at a point in time		-	-
	- over time		558,278	366,455
			558,278	366,455
(b) Grant revenue without sufficiently specific obligations				
	Equity Trustees - Strong Families Strong Children		100,000	100,000
	Other grants received		4,000	3,134
			104,000	103,134
(c) Other sources of revenue				
	- Projects delivered to public schools		146,391	145,271
	- Interest received		3,188	5,670
	- ATO Cash Flow Boost		74,872	-
	- Other income		4,275	201
			228,726	151,142

The association applies the practical expedient in AASB 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 3. Expenditure	Note	2020	2019
		\$	\$
Depreciation of property, plant and equipment:			
- Plant and equipment		441	631
Depreciation of right-of-use assets:			
- Motor vehicles		50,211	16,960
Total depreciation expense		<u>50,652</u>	<u>17,591</u>
Employee benefits expense - contributions to superannuation funds		51,319	41,972
Rental expense on operating leases excluded in lease liability measurement:			
- short-term lease expense		7,585	43,779
Finance costs:			
- lease liabilities		3,380	932
<hr/>			
Note 4. Cash and cash equivalents			
<i>CURRENT</i>			
Cash at bank		134,061	355,628
Short-term investments - bank deposits		204,195	204,195
	15	<u>338,256</u>	<u>559,823</u>
 (a) Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		<u>338,256</u>	<u>559,823</u>
<hr/>			
Note 5. Trade and Other Receivables			
<i>CURRENT</i>			
Grants receivable		302,751	41,845
	15	<u>302,751</u>	<u>41,845</u>
<hr/>			
Note 6. Other Assets			
<i>CURRENT</i>			
Prepayments		-	2,130

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 7. Property, Plant and Equipment	Note	2020	2019
		\$	\$
<i>NON-CURRENT</i>			
<i>Plant and equipment</i>			
At cost		20,627	20,627
Accumulated depreciation		(19,597)	(19,156)
		<u>1,030</u>	<u>1,471</u>
Total property, plant and equipment		<u>1,030</u>	<u>1,471</u>

Movements in Carrying Amounts

Movements in 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
	\$	\$
Balance at the beginning of year	1,471	1,471
Additions at cost	-	-
Disposals	-	-
Depreciation expense	(441)	(441)
Carrying amount at the end of the year	<u>1,030</u>	<u>1,030</u>

Note 8. Right-of-use assets

The association's lease portfolio includes motor vehicles and the lease term is:

Class of lease	Lease term
Motor vehicles	1-2 years

Options to extend or terminate

There were no extension options for equipment motor vehicle leases. There are options to extend or terminate contained in the association's property lease agreement. However as the lease is now on a month-by-month basis with no significant penalty, this lease meets the short-term exemption criteria and as such, the property lease has been excluded from measurement. These clauses typically provide the association opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the association.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 8. Right-of-use assets (continued)	Note	2020 \$	2019 \$
(a) AASB 16 related amounts recognised in the balance sheet			
Right-of-use assets			
Motor vehicles		96,641	111,281
Accumulated depreciation		(50,211)	(28,178)
		46,430	83,103
<i>Movements in carrying amounts</i>			
Movements in carrying amounts for each class of right-of-use assets between the beginning and the end of the current financial year.			
		Motor vehicles \$	Total \$
Balance at the beginning of year		83,103	83,103
Addition to right-of-use asset		13,538	13,538
Disposal of right-of-use asset		-	-
Depreciation expense		(50,211)	(50,211)
Carrying amount at the end of the year		46,430	46,430
(b) AASB 16 related amounts recognised in the statement of profit or loss			
Depreciation charge related to right-of-use assets		50,211	16,960
Interest expense on lease liabilities		3,380	932
Short-term leases expense		7,585	43,779
		61,176	61,671
Note 9. Trade and other payables			
<i>CURRENT</i>			
Trade payables		10,014	4,310
Australian Tax Office payable		35,779	36,125
Superannuation payable		4,579	4,588
Accrued expenses		34,390	24,501
		84,762	69,524
<i>Financial liabilities at amortised cost classified as trade and other payables</i>			
Trade payables and other payables:			
- Total current	15	48,983	33,399

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 10. Other Liabilities	Note	2020	2019
		\$	\$
<i>CURRENT</i>			
Contract liability		275,229	269,832
(a) Contract liabilities			
Balance at the beginning of the year		269,832	-
Movements:			
- Add grants for which performance obligations will only be satisfied in subsequent years		275,229	269,832
- Less grants for which performance obligations have been satisfied during the year		(269,832)	-
Closing balance at the end of the year		275,229	269,832
If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time is recognised as a contract liability until the performance obligations have been satisfied.			
Note 11. Lease liabilities			
<i>CURRENT</i>			
Lease liability		49,355	49,986
Unexpired interest		(1,209)	(2,435)
		48,146	47,551
<i>NON-CURRENT</i>			
Lease liability		1,182	36,425
Unexpired interest		(7)	(873)
		1,175	35,552
Total lease liability		50,537	86,411
Total unexpired interest		(1,216)	(3,308)
Total present value of lease liability	15	49,321	83,103

The leases for the motor vehicles, which commenced in 2019 and 2020, are financed with Web Lease Pty Ltd on 24 month terms, with payments required monthly in advance. These leases do not include optional terms or purchase options.

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

	2020	2019
Note 12. Provisions	\$	\$
Employee provisions		
<i>CURRENT</i>		
- Annual leave entitlements	52,048	31,177
- Long service leave entitlements	10,323	7,816
	<u>62,371</u>	<u>38,993</u>
<i>NON-CURRENT</i>		
- Long service leave entitlements	20,515	6,891

Provision for employee benefits

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the association does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(l).

Note 13. Capital commitments

No capital expenditure commitments were contracted for at year end.

	2020	2019
Note 14. Cash flow information	\$	\$
Reconciliation of cash flow from operations with deficit after income tax		
Deficit after income tax expense	(23,760)	(124,452)
Non-cash flows in deficit:		
- depreciation expense	50,652	17,591
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(260,906)	56,461
- (increase)/decrease in other assets	2,130	(64)
- increase/(decrease) in trade and other payables	15,238	17,881
- increase/(decrease) in other liabilities	5,397	175,129
- increase/(decrease) in provisions	37,002	14,524
Cash flow from operations	<u>(174,247)</u>	<u>157,070</u>

North Central Local Learning and Employment Network Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

Note 15. Financial risk management	Note	2020	2019
		\$	\$
The association's financial instruments consist mainly of deposits with banks, receivables, payables and leases.			
The totals for each category of financial instruments, measured in accordance with AASB 9: <i>Financial Instruments</i> , as detailed in the accounting policies to these financial statements, are as follows:			
<i>Financial assets</i>			
Financial assets at amortised cost:			
- Cash and cash equivalents	4	338,256	559,823
- Trade and other receivables	5	302,751	41,845
Total financial assets		641,007	601,668
<i>Financial liabilities</i>			
Financial liabilities at amortised cost:			
- Trade and other payables	9	48,983	33,399
- Lease liabilities	11	49,321	83,103
Total financial liabilities		98,304	116,502

Note 16. Events after the reporting period

Subsequent to year-end, the State Government has revised social isolation measures as appropriate based on the level of community transmission, which included the reintroduction of Stage 4 isolation measures on 13 February 2021 for the State of Victoria. The Association was required to postpone face-to-face activities and events until such restrictions were lifted on 18 February 2021.

There have been no other events subsequent to the balance sheet date that have an impact that would require disclosure in the financial statements or notes there of.

Note 17. Associations details

The registered office and principal place of business is:


North Central Local Learning And Employment Network Inc.
9c High Street
Charlton Victoria 3525

North Central Local Learning and Employment Network Inc. Financial Declaration for Responsible Person

Per section 60.15 of the *Australian charities and Not-for-profits Commission Regulation 2013*:

The Responsible Persons declare that in the Responsible Persons' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Chairperson 
_____ Ellen White

Treasurer 
_____ Kelvin Baird

Dated: 31st March 2021