

# **HNECC Limited**

**ABN 51 604 341 362**

## **Financial Statements**

**For the Year Ended 30 June 2022**

# HNECC Limited

ABN 51 604 341 362

## Statement of Surplus or Deficit and Other Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue from contracts with customers	4	79,381,832	74,256,756
Other income from ordinary activities	4	142,638	236,748
Program services expenses		(63,161,621)	(59,438,635)
Employee benefits expenses		(11,443,311)	(10,466,462)
Other operating expenses		(1,593,219)	(1,238,930)
Software expenses		(1,842,481)	(1,850,020)
Occupancy expenses		(295,435)	(37,924)
Board expenses		(332,201)	(317,560)
Depreciation and amortisation expense		(258,154)	(814,946)
Motor vehicle expenses		(131,709)	(116,787)
Consumable expenses		(259,834)	(300,722)
Travel and accommodation expenses		(214,182)	(118,618)
Finance costs and interest paid		(2,510)	(8,192)
<b>Surplus / (deficit) before income tax</b>		<b>(10,187)</b>	<b>(215,292)</b>
Income tax expense	2(a)	-	-
<b>Surplus / (deficit) after income tax</b>		<b>(10,187)</b>	<b>(215,292)</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(10,187)</b>	<b>(215,292)</b>

The accompanying notes form part of these financial statements.

# HNECC Limited

ABN 51 604 341 362

## Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	19,326,400	16,142,192
Trade and other receivables	7	1,258,680	673,061
Other assets	8	1,669,194	1,142,227
TOTAL CURRENT ASSETS		<u>22,254,274</u>	<u>17,957,480</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	-	61,547
Right-of-use assets	10	190,930	68,329
Other assets	8	85,792	61,015
TOTAL NON-CURRENT ASSETS		<u>276,722</u>	<u>190,891</u>
TOTAL ASSETS		<u>22,530,996</u>	<u>18,148,371</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	11	6,819,181	5,471,111
Lease liabilities	12	177,057	77,498
Employee benefits	13	1,092,928	928,853
Contract Liabilities	14	12,712,606	9,980,972
TOTAL CURRENT LIABILITIES		<u>20,801,772</u>	<u>16,458,434</u>
NON-CURRENT LIABILITIES			
Lease liabilities	12	18,290	8,734
Employee benefits	13	263,811	223,893
TOTAL NON-CURRENT LIABILITIES		<u>282,101</u>	<u>232,627</u>
TOTAL LIABILITIES		<u>21,083,873</u>	<u>16,691,061</u>
NET ASSETS		<u>1,447,123</u>	<u>1,457,310</u>
<b>FUNDS</b>			
Accumulated Surplus		<u>1,447,123</u>	<u>1,457,310</u>
TOTAL FUNDS		<u>1,447,123</u>	<u>1,457,310</u>

The accompanying notes form part of these financial statements.

# HNECC Limited

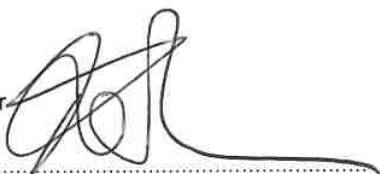
ABN 51 604 341 362


## Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 15 to 35, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) comply with *Australian Accounting Standards - Simplified Disclosures*; and
  - (b) give a true and fair view of the financial position as at 30 June 2022 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 Directors.

Director 

Director 

Dated 17 October 2022

# HNECC Limited

ABN 51 604 341 362

## Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Cutcher & Neale Assurance Pty Limited  
(An authorised audit company)



M.J. O'Connor  
Director

NEWCASTLE

10 October 2022

# HNECC Limited

ABN 51 604 341 362

## Independent Audit Report to the members of HNECC Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the accompanying financial report of HNECC Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of surplus or deficit and other comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australians Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Information Other than the Financial Report and Auditor's Report Thereon*

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is limited to the Directors' report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

# HNECC Limited

ABN 51 604 341 362

## Independent Audit Report to the members of HNECC Limited

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Directors for the Financial Report*

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

12

Newcastle 130 Parry Street Newcastle West NSW 2302 T 02 4928 8500 F 02 4926 1971 E [cnrmail@cutcher.com.au](mailto:cnrmail@cutcher.com.au) M PO Box 694 Newcastle NSW 2300

Sydney Suite 1102, Level 11, 20 Berry Street (PO Box 281) North Sydney NSW 2059 T 02 9923 1817

Brisbane Suite 5, 36 Agnes Street (PO Box 91) Fortitude Valley QLD 4006 T 07 3268 4944

Liability Limited by a scheme approved under Professional Standards Legislation. Cutcher & Neale Assurance Pty Ltd ABN 37 126 556 330

# HNECC Limited

ABN 51 604 341 362

## Independent Audit Report to the members of HNECC Limited

- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Cutcher & Neale Assurance Pty Limited

(An authorised audit Company)



M.J. O'Connor  
Director

NEWCASTLE

18 October 2022

13

**Newcastle** 130 Parry Street Newcastle West NSW 2302 T 02 4928 8500 F 02 4926 1971 E [cnrmail@cutcher.com.au](mailto:cnrmail@cutcher.com.au) M PO Box 694 Newcastle NSW 2300

**Sydney** Suite 1102, Level 11, 20 Berry Street (PO Box 281) North Sydney NSW 2059 T 02 9923 1817

**Brisbane** Suite 5, 36 Agnes Street (PO Box 91) Fortitude Valley QLD 4006 T 07 3268 4944

Liability Limited by a scheme approved under Professional Standards Legislation. Cutcher & Neale Assurance Pty Ltd ABN 37 126 556 330