

# **HNECC Limited**

ABN 51 604 341 362

## **Financial Statements**

For the Year Ended 30 June 2021

# HNECC Limited

ABN 51 604 341 362

## Statement of Surplus or Deficit and Other Comprehensive Income For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Grant revenue		72,983,245	65,095,945
Other revenue from ordinary activities	4	1,337,073	245,957
Interest income		173,186	335,327
Program services expense		(59,438,635)	(51,516,807)
Employee benefits expense		(10,466,462)	(9,355,420)
Other operating expenses		(1,238,930)	(1,331,965)
Software expenses		(1,850,020)	(1,561,074)
Occupancy costs		(37,924)	(75,892)
Board expenses		(317,560)	(312,162)
Depreciation and amortisation expense		(814,946)	(681,275)
Motor vehicle expenses		(116,787)	(168,399)
Consumables		(300,722)	(172,384)
Travel and accommodation expenses		(118,618)	(216,360)
Finance costs and interest paid		(8,192)	(15,534)
<b>Surplus / (deficit) before income tax</b>		<b>(215,292)</b>	269,957
Income tax expense	2(b)	-	-
<b>Surplus / (deficit) after income tax</b>		<b>(215,292)</b>	269,957
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(215,292)</b>	269,957

The accompanying notes form part of these financial statements.

# HNECC Limited

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## Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	16,142,192	22,353,114
Trade and other receivables	6	673,061	928,846
Other assets	7	1,142,227	229,997
TOTAL CURRENT ASSETS		<u>17,957,480</u>	<u>23,511,957</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	61,547	408,911
Right-of-use assets	9	68,329	535,912
Other assets	7	61,015	63,406
TOTAL NON-CURRENT ASSETS		<u>190,891</u>	<u>1,008,229</u>
TOTAL ASSETS		<u>18,148,371</u>	<u>24,520,186</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	5,471,111	6,104,775
Lease liabilities	11	77,498	488,471
Employee benefits	12	928,853	714,838
Contract Liabilities	13	9,980,972	15,241,879
TOTAL CURRENT LIABILITIES		<u>16,458,434</u>	<u>22,549,963</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11	8,734	69,854
Employee benefits	12	223,893	227,767
TOTAL NON-CURRENT LIABILITIES		<u>232,627</u>	<u>297,621</u>
TOTAL LIABILITIES		<u>16,691,061</u>	<u>22,847,584</u>
NET ASSETS		<u>1,457,310</u>	<u>1,672,602</u>
<b>FUNDS</b>			
Accumulated Surplus		<u>1,457,310</u>	<u>1,672,602</u>
TOTAL FUNDS		<u>1,457,310</u>	<u>1,672,602</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 16 to 34, are in accordance with the *Australian Charities and Not-for-profits Commision Act 2012* and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2021 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.

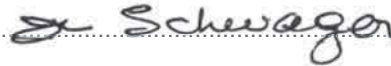
This declaration is made in accordance with a resolution of the Directors.

Director



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Director



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Dated 18 October 2021

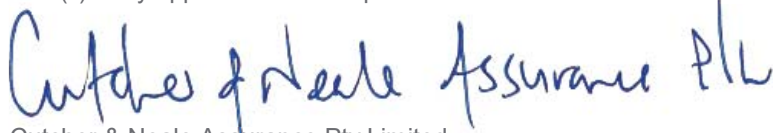
# HNECC Limited

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 2021 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

11 October 2021

# 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, being a general purpose financial report of HNECC Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of surplus or deficit and other comprehensive income, the statement of changes in equity 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 *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 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* (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.

#### *Other Information*

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.

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# 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 on the other information obtained prior to the date of this auditor's report, 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 - Reduced Disclosure Requirements 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.

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## Independent Audit Report to the members of HNECC Limited

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Cutcher & Neale Assurance Pty Limited

(An authorised audit Company)



M.J. O'Connor  
Director

NEWCASTLE

19 October 2021