

**WOMEN'S LEGAL SERVICE VICTORIA INC.
ABN 49 158 531 102**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2014**

**WOMEN'S LEGAL SERVICE VICTORIA INC.
ABN 49 158 531 102**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2014**

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WOMEN'S LEGAL SERVICE VICTORIA INC.
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INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED
30 JUNE 2014

	Note	2014 \$	2013 \$
INCOME			
CLC Recurrent Grants		1,288,642	1,282,379
CLC Non-Recurrent Grants		139,963	-
Other Grants		119,964	50,000
Other Income		187,907	169,390
Interest Income		29,172	32,592
		<u>1,765,648</u>	<u>1,534,361</u>
EXPENDITURE			
Employee benefits expense		1,063,313	994,874
Depreciation expense		48,221	26,835
FLLS Costs		310,424	299,335
Rental expense		64,400	76,800
Make good provision		90,000	-
Other expenditure		135,044	109,621
		<u>1,711,402</u>	<u>1,507,465</u>
Surplus (Loss) before income tax		54,246	26,896
Income tax expense	2	<u>-</u>	<u>-</u>
Surplus (Loss) after income tax		54,246	26,896
Retained Surplus (Losses) at the beginning of the financial year		<u>361,933</u>	<u>335,037</u>
Retained Surplus (Losses) at the end of the financial year		<u>416,179</u>	<u>361,933</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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ASSETS AND LIABILITIES STATEMENT
AS AT 30 JUNE 2014

	Note	2014	2013
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	361,782	411,650
Trade and other receivables	4	206,261	8,707
Financial assets	5	678,843	515,624
TOTAL CURRENT ASSETS		<u>1,246,886</u>	<u>935,981</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	265,174	75,543
TOTAL NON-CURRENT ASSETS		<u>265,174</u>	<u>75,543</u>
TOTAL ASSETS		<u>1,512,060</u>	<u>1,011,524</u>
CURRENT LIABILITIES			
Trade and other payables	7	117,950	103,308
Provisions	8	77,430	51,279
Grants in advance	9	614,746	288,540
TOTAL CURRENT LIABILITIES		<u>810,126</u>	<u>443,127</u>
NON-CURRENT LIABILITIES			
Provisions	8	170,755	91,464
Future Contingency Fund		25,000	25,000
		<u>195,755</u>	<u>116,464</u>
TOTAL LIABILITIES		<u>1,005,881</u>	<u>559,591</u>
NET ASSETS		<u>506,179</u>	<u>451,933</u>
MEMBERS' FUNDS			
Capital Replacement Reserve		90,000	90,000
Retained Surplus		416,179	361,933
TOTAL MEMBERS' FUNDS		<u>506,179</u>	<u>451,933</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2014

	Note	2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Grants		1,738,659	1,293,459
Other Receipts		187,906	261,211
Payments to suppliers and employees		(1,604,536)	(1,410,028)
Interest received		29,172	32,592
		<u> </u>	<u> </u>
Net Cash provided by operating activities	10	<u>351,201</u>	<u>177,234</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and equipment		(237,852)	(23,900)
(Purchase)/redemption of term deposits		(163,219)	89,920
Payments for intangibles		-	(946)
		<u> </u>	<u> </u>
Net Cash provided by (used in) investing activities		<u>(401,071)</u>	<u>65,074</u>
Net increase (decrease) in cash held		(49,870)	242,308
Cash at the beginning of the year		411,650	169,342
		<u> </u>	<u> </u>
Cash at the end of the year		<u><u>361,780</u></u>	<u><u>411,650</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014

Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 (Vic). The Board has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuation of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in preparation of this financial report.

a. Cash and Cash Equivalents

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

b. Income Tax

The Association is exempt from paying income tax by virtue of Section 50-45 of the Income Tax Assessment Act, 1997. Accordingly, tax effect accounting has not been adopted.

c. Property, Plant and Equipment

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all plant and equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

d. Employee Entitlements

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

Provision is made for the Association's liability for long service leave from commencement of employment.

e. 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 at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014

Note 1: Statement of Significant Accounting Policies (cont.)

f. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is an 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, is compared to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised in the income and expenditure statement.

g. Revenue

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as a liability.

Grant Income

Grant income received, other than for specific purposes, is brought to account when the entity obtains control over the funds which is generally at the time of receipt.

Deferred Income

Unspent grant income received in relation to specific projects and events is not brought to account as revenue in the current year but deferred as a liability in the financial statements until spent for the purpose received.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

All revenue is stated net of the amount of goods and services tax (GST).

h. 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 assets and liabilities statement.

i. Economic Dependence

The entity is dependent on Victoria Legal Aid for the majority of its revenue used to operate the business. At the date of this report the Board has no reason to believe the Organisation will not continue to support the entity.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014

	2014	2013
	\$	\$
Note 2: Income Tax Expense		
Prima facie tax payable on operating surplus at 30% (2013: 30%)	16,274	8,069
Less tax effect of:		
- non-taxable member income arising from principle of mutuality	<u>(16,274)</u>	<u>(8,069)</u>
Income tax expense	<u><u>-</u></u>	<u><u>-</u></u>
Note 3: Cash and cash equivalents		
Petty Cash	350	350
Cash at Bank	96,700	251,300
Term deposits - short term	<u>264,732</u>	<u>160,000</u>
	<u><u>361,782</u></u>	<u><u>411,650</u></u>
Note 4: Trade and other receivables		
Trade receivables	186,454	8,707
Prepayments	<u>19,807</u>	<u>-</u>
	<u><u>206,261</u></u>	<u><u>8,707</u></u>
Note 5: Financial assets		
Term deposits - long term	<u>678,843</u>	<u>515,624</u>
Note 6: Plant and equipment		
Plant and Equipment	320,490	192,863
Less accumulated depreciation	<u>(61,588)</u>	<u>(126,280)</u>
	<u>258,902</u>	<u>66,583</u>
Intangibles	12,800	12,800
Less accumulated amortisation	<u>(6,528)</u>	<u>(3,840)</u>
	<u>6,272</u>	<u>8,960</u>
	<u><u>265,174</u></u>	<u><u>75,543</u></u>
Note 7: Trade and other payables		
Current		
Trade and sundry creditors	81,931	60,246
GST payable	16,021	28,982
PAYG Withholding payable	12,064	8,198
Superannuation payable	<u>7,934</u>	<u>5,882</u>
	<u><u>117,950</u></u>	<u><u>103,308</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014**

	2014	2013
	\$	\$
Note 8: Provisions		
Current		
Provision for annual leave	64,923	51,279
Provision for long service leave	12,507	-
	<u>77,430</u>	<u>51,279</u>
Non-Current		
Make good provision	102,000	12,000
Provision for long service leave	68,755	79,464
	<u>170,755</u>	<u>91,464</u>
Note 9: Grants in advance		
Current		
CLSP Funds received in advance	241,094	288,540
Non-CLSP Funds received in advance	373,652	-
	<u>614,746</u>	<u>288,540</u>
CLSP Funds \$241,094 includes \$41,362 SACS ERO for future years.		
Note 10: Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax		
Surplus after income tax	54,246	26,896
Cash flows excluded from operating surplus attributable to operating activities:		
<i>Non-cash flows in surplus</i>		
- Depreciation	48,221	26,835
<i>Changes in assets and liabilities;</i>		
- (Increase)/decrease in trade and other debtors	(197,554)	2,135
- Increase/(decrease) in trade and other payables	14,642	21,509
- Increase/(decrease) in provisions	105,442	48,779
- Increase/(decrease) in income in advance	326,206	51,080
Net cash provided by Operating Activities	<u>351,203</u>	<u>177,234</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014

	2014	2013
	\$	\$
Note 11: Operating Lease Commitments		
Operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments:		
- no later than 12 months	71,750	-
- between 12 months and five years	474,861	-
- greater than five years	166,356	-
	<u>712,967</u>	<u>-</u>

The Association has a property lease commitment. It is a non-cancellable operating lease with a six-year term, with rent payable monthly in advance. The lease has an option to renew which expires 31 March 2024.