

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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2015**

WOMEN'S LEGAL SERVICE VICTORIA INC.
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FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2015

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WOMEN'S LEGAL SERVICE VICTORIA INC.
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INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED
30 JUNE 2015

	Note	2015	2014
		\$	\$
INCOME			
CLC Recurrent Grants		1,440,816	1,288,642
CLC Non-Recurrent Grants		159,000	139,963
Other Grants		231,822	119,964
Other Income		270,146	187,907
Interest Income		35,295	29,172
		<u>2,137,079</u>	<u>1,765,648</u>
EXPENDITURE			
Employee benefits expense		1,277,462	1,074,523
Depreciation expense		57,804	48,221
FLLS Costs		317,038	310,424
Rental expense		112,360	64,400
Make good provision		-	90,000
Other expenditure		243,685	123,834
		<u>2,008,349</u>	<u>1,711,402</u>
Surplus (Loss) before income tax		128,730	54,246
Income tax expense		-	-
		<u>128,730</u>	<u>54,246</u>
Surplus (Loss) after income tax		128,730	54,246
Retained Surplus (Losses) at the beginning of the financial year		<u>416,179</u>	<u>361,933</u>
Retained Surplus (Losses) at the end of the financial year		<u>544,909</u>	<u>416,179</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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ASSETS AND LIABILITIES STATEMENT
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	2	1,842,430	361,782
Trade and other receivables	3	72,631	206,261
Financial assets	4	84,884	678,843
TOTAL CURRENT ASSETS		<u>1,999,945</u>	<u>1,246,886</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	218,858	265,174
TOTAL NON-CURRENT ASSETS		<u>218,858</u>	<u>265,174</u>
TOTAL ASSETS		<u>2,218,803</u>	<u>1,512,060</u>
CURRENT LIABILITIES			
Trade and other payables	6	241,634	117,950
Provisions	9	106,439	77,430
Grants in advance	10	1,003,296	614,746
TOTAL CURRENT LIABILITIES		<u>1,351,369</u>	<u>810,126</u>
NON-CURRENT LIABILITIES			
Provisions	9	222,525	170,755
Future Contingency Fund		10,000	25,000
		<u>232,525</u>	<u>195,755</u>
TOTAL LIABILITIES		<u>1,583,894</u>	<u>1,005,881</u>
NET ASSETS		<u>634,909</u>	<u>506,179</u>
MEMBERS' FUNDS			
Capital Replacement Reserve		90,000	90,000
Retained Surplus		544,909	416,179
TOTAL MEMBERS' FUNDS		<u>634,909</u>	<u>506,179</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Grants		2,352,312	1,738,659
Other Receipts		255,146	187,906
Payments to suppliers and employees		(1,744,576)	(1,604,534)
Interest received		35,295	29,172
		<u> </u>	<u> </u>
Net Cash provided by operating activities	11	<u>898,177</u>	<u>351,203</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and equipment		(11,488)	(237,852)
(Purchase)/redemption of term deposits		593,959	(163,219)
		<u> </u>	<u> </u>
Net Cash provided by (used in) investing activities		<u>582,471</u>	<u>(401,071)</u>
Net increase (decrease) in cash held		1,480,648	(49,868)
Cash at the beginning of the year		361,782	411,650
Cash at the end of the year	2	<u><u>1,842,430</u></u>	<u><u>361,782</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015

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 2015

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.

j. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

WOMEN'S LEGAL SERVICE VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015

	2015	2014
	\$	\$
Note 2: Cash and cash equivalents		
Petty Cash	166	350
Cash at Bank	1,438,960	96,700
Term deposits - short term	403,304	264,732
	<u>1,842,430</u>	<u>361,782</u>
Note 3: Trade and other receivables		
Trade receivables	54,330	186,454
Prepayments	18,301	19,807
	<u>72,631</u>	<u>206,261</u>
Note 4: Financial assets		
MECU Share	5	-
Term deposits - long term	84,879	678,843
	<u>84,884</u>	<u>678,843</u>
Note 5: Plant and equipment		
Plant and Equipment	291,982	320,490
Less accumulated depreciation	(77,514)	(61,588)
	<u>214,468</u>	<u>258,902</u>
Intangibles	12,800	12,800
Less accumulated amortisation	(8,410)	(6,528)
	<u>4,390</u>	<u>6,272</u>
	<u>218,858</u>	<u>265,174</u>
Note 6: Trade and other payables		
Current		
Trade and sundry creditors	107,445	81,931
GST payable	109,117	16,021
PAYG Withholding payable	12,184	12,064
Superannuation payable	12,888	7,934
	<u>241,634</u>	<u>117,950</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015

	2015	2014
	\$	\$
Note 7: Provisions		
Current		
Provision for annual leave	85,684	64,923
Provision for long service leave	20,755	12,507
	106,439	77,430
Non-Current		
Other provisions	142,366	102,000
Provision for long service leave	80,159	68,755
	222,525	170,755
Note 8: Grants in advance		
Current		
CLSP Funds received in advance	20,947	199,462
VLA ERO - State	86,360	27,975
VLA ERO - Extra (a)	29,304	13,657
VLA Safer Families grant in advance	25,152	16,320
VLA Child Protection grant in advance	515,411	-
Non-CLSP Funds received in advance	326,122	357,332
	1,003,296	614,746
 (a) VLA ERO - Extra comprises \$15,647 (2014/15), \$10,650 (2013/14) and \$3,007 (2012/13)		
Note 9: Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax		
Surplus after income tax	128,730	54,246
Cash flows excluded from operating surplus attributable to operating activities:		
<i>Non-cash flows in surplus</i>		
- Depreciation	57,804	48,221
<i>Changes in assets and liabilities;</i>		
- (Increase)/decrease in trade and other debtors	133,630	(197,554)
- Increase/(decrease) in trade and other payables	123,684	14,642
- Increase/(decrease) in provisions	65,779	105,442
- Increase/(decrease) in income in advance	388,550	326,206
Net cash provided by Operating Activities	898,177	351,203

WOMEN'S LEGAL SERVICE VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015

	2015	2014
	\$	\$
Note 12: Operating Lease Commitments		
Operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments:		
- no later than 12 months	77,164	71,750
- between 12 months and five years	545,039	474,861
- greater than five years	-	166,356
	<u>622,203</u>	<u>712,967</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 for a further 4 years which expires 31 March 2024.

The lease included a tenant's incentive equal to a 50% reduction in the base rent payable for the period from commencement to 31 March 2017.

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

**STATEMENT BY MEMBERS OF THE BOARD
FOR THE YEAR ENDED
30 JUNE 2015**

The Board has determined that the association is not a reporting entity and that this special purpose report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report as set out on pages 1 to 8:

1. Presents a true and fair view of the financial position of Women's Legal Service Victoria Inc. as at 30 June 2015 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the Women's Legal Service Victoria Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chairperson

Dated:

Treasurer

Dated:

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
WOMEN'S LEGAL SERVICE VICTORIA INC.**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Women's Legal Service Victoria Inc., which comprises the Board's report, the assets and liabilities statement as at 30 June 2015, statement of cash flows as at 30 June 2015, and the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and statement by members of the Board.

Board's Responsibility for the Financial Report

The Board of Women's Legal Service Victoria Inc. is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 (Vic) and the needs of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report that gives a true and fair view, 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report gives a true and fair view of the financial position of Women's Legal Service Victoria Inc. as at 30 June 2015 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Associations Incorporation Reform Act 2012 (Vic).

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Women's Legal Service Victoria Inc. to meet the requirements of the Associations Incorporation Reform Act 2012 (Vic). As a result, the financial report may not be suitable for another purpose.

Sean Denham

Dated:

Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

WOMEN'S LEGAL SERVICE VICTORIA INC.

CERTIFICATE BY MEMBER OF THE BOARD

I _____, of _____, certify that:
(name) (address)

a. I attended the annual general meeting of the association held on _____.
(date)

b. The financial statements for the year ended 30 June 2015 were submitted to the members of the association at its annual general meeting.

Board Member

Dated: