

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 2016, statement of cash flows as at 30 June 2016, 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 2016 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: 3rd October 2016
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

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

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2016**

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2016

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WOMEN'S LEGAL SERVICE VICTORIA INC.
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INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED
30 JUNE 2016

	Note	2016 \$	2015 \$
INCOME			
Grant Income - Operating Funding Commonwealth		1,070,086	1,096,588
Grant Income - Operating Funding State		405,184	344,228
Grant Income - Project Funding CLSP		222,427	80,000
Grant Income - Project Funding Other		424,301	302,926
Interest Income		47,289	35,296
Legal Education		54,529	50,466
Legal Services		29,832	26,539
Other Income		64,139	52,273
Membership - WLSV		327	95
Philanthropic Donations		20,986	5,605
Recoupment from FLLS		155,922	143,062
		<u>2,495,022</u>	<u>2,137,078</u>
EXPENDITURE			
Employee benefits expense		1,614,046	1,277,462
Depreciation expense		51,333	57,804
FLLS Costs		365,671	317,038
Rental expense		113,528	112,360
Other expenditure		296,357	243,684
		<u>2,440,935</u>	<u>2,008,348</u>
Surplus (Loss) before income tax		54,087	128,730
Income tax expense		-	-
Surplus (Loss) after income tax		54,087	128,730
Retained Surplus (Losses) at the beginning of the financial year		<u>544,909</u>	<u>416,179</u>
Retained Surplus (Losses) at the end of the financial year		<u>598,996</u>	<u>544,909</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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ASSETS AND LIABILITIES STATEMENT
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	2	1,963,072	1,842,430
Trade and other receivables	3	106,151	72,632
Financial assets	4	90,863	84,884
TOTAL CURRENT ASSETS		<u>2,160,086</u>	<u>1,999,946</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	199,993	218,859
TOTAL NON-CURRENT ASSETS		<u>199,993</u>	<u>218,859</u>
TOTAL ASSETS		<u>2,360,079</u>	<u>2,218,805</u>
CURRENT LIABILITIES			
Trade and other payables	6	195,258	241,636
Provisions	7	131,833	106,439
Grants in advance	8	1,084,523	1,003,296
TOTAL CURRENT LIABILITIES		<u>1,411,614</u>	<u>1,351,371</u>
NON-CURRENT LIABILITIES			
Provisions	7	259,469	222,525
Future Contingency Fund		-	10,000
		<u>259,469</u>	<u>232,525</u>
TOTAL LIABILITIES		<u>1,671,083</u>	<u>1,583,896</u>
NET ASSETS		<u>688,996</u>	<u>634,909</u>
MEMBERS' FUNDS			
Capital Replacement Reserve		90,000	90,000
Retained Surplus		598,996	544,909
TOTAL MEMBERS' FUNDS		<u>688,996</u>	<u>634,909</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Grants		2,174,794	2,352,312
Other Receipts		325,735	255,146
Payments to suppliers and employees		(2,373,930)	(1,709,377)
Interest received		<u>32,489</u>	<u>95</u>
Net Cash provided by operating activities	9	<u>159,088</u>	<u>898,176</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and equipment		(32,467)	(11,487)
(Purchase)/redemption of term deposits		<u>(5,979)</u>	<u>593,959</u>
Net Cash provided by (used in) investing activities		<u>(38,446)</u>	<u>582,472</u>
Net increase (decrease) in cash held		120,642	1,480,648
Cash at the beginning of the year		1,842,430	361,782
Cash at the end of the year	2	<u><u>1,963,072</u></u>	<u><u>1,842,430</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016

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 2016

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.
ABN 49 158 531 102

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016

	2016	2015
	\$	\$
Note 2: Cash and cash equivalents		
Petty Cash	130	166
Cash at Bank	388,344	1,438,960
Term deposits - short term	1,574,598	403,304
	<u>1,963,072</u>	<u>1,842,430</u>
Note 3: Trade and other receivables		
Trade receivables	82,761	54,330
Other receivables	17,817	3,017
Prepayments	5,573	15,285
	<u>106,151</u>	<u>72,632</u>
Note 4: Financial assets		
MECU Share	-	5
Term deposits - long term	90,863	84,879
	<u>90,863</u>	<u>84,884</u>
Note 5: Plant and equipment		
Plant and Equipment	324,450	291,983
Less accumulated depreciation	(127,530)	(77,514)
	<u>196,920</u>	<u>214,469</u>
Intangibles	12,800	12,800
Less accumulated amortisation	(9,727)	(8,410)
	<u>3,073</u>	<u>4,390</u>
	<u>199,993</u>	<u>218,859</u>
Note 6: Trade and other payables		
Current		
Trade and sundry creditors	100,323	107,447
GST payable	46,118	109,117
PAYG Withholding payable	26,113	12,184
Superannuation payable	22,704	12,888
	<u>195,258</u>	<u>241,636</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016

	2016	2015
	\$	\$
Note 7: Provisions		
Current		
Provision for annual leave	97,468	85,684
Provision for long service leave	34,365	20,755
	<u>131,833</u>	<u>106,439</u>
Non-Current		
Other provisions	179,626	142,366
Provision for long service leave	79,843	80,159
	<u>259,469</u>	<u>222,525</u>
Note 8: Grants in advance		
Current		
CLSP Funds received in advance	245,256	20,947
VLA ERO - State	159,528	86,360
VLA ERO - Extra	(a) 51,234	29,304
VLA Safer Families grant in advance	-	25,152
VLA Child Protection grant in advance	318,136	515,411
Non-CLSP Funds received in advance	310,369	326,122
	<u>1,084,523</u>	<u>1,003,296</u>
 (a) VLA ERO - Extra comprises \$15,647 (2014/15), \$10,650 (2013/14) and \$3,007 (2012/13) \$21,930 (2015/16).		
Note 9: Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax		
Surplus after income tax	54,087	128,730
Cash flows excluded from operating surplus attributable to operating activities:		
<i>Non-cash flows in surplus</i>		
- Depreciation	51,333	57,804
<i>Changes in assets and liabilities;</i>		
- (Increase)/decrease in trade and other debtors	(33,519)	133,630
- Increase/(decrease) in trade and other payables	(46,378)	123,684
- Increase/(decrease) in provisions	52,338	65,779
- Increase/(decrease) in income in advance	81,227	388,550
Net cash provided by Operating Activities	<u>159,088</u>	<u>898,177</u>

WOMEN'S LEGAL SERVICE VICTORIA INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016

	2016	2015
	\$	\$
Note 10: Operating Lease Commitments		
Operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments:		
- no later than 12 months	99,568	77,164
- between 12 months and five years	445,471	545,039
- greater than five years	-	-
	<u>545,039</u>	<u>622,203</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 19 May 2024.

The lease included a tenant's incentive equal to a 50% reduction in the base rent payable for the period from commencement to 19 May 2017.

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

STATEMENT BY MEMBERS OF THE BOARD
FOR THE YEAR ENDED
30 JUNE 2016

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 2016 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: 26 September 2016



Treasurer

Dated: 26 SEPTEMBER 2016