

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

**Opinion**

I have audited the accompanying financial report, of Women's Legal Service Victoria Inc., which comprises the assets and liabilities statement as at 30 June 2018, statement of changes in equity, statement of cash flows and the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and the certification by members of the Board

In my opinion, the accompanying financial report of Women's Legal Service Victoria Inc. has been prepared in accordance with Div. 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards to the extent described in Note 1 to the financial statements, and the requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and *Div. 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

*Basis for Opinion*

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the association in accordance with the *Associations Incorporation Reform Act 2012 (Vic)* 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

*Emphasis of Matter - Basis of Accounting*

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the association's reporting responsibilities under the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

*Responsibility of the Board for the Financial Report*

The Board of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 of the financial report is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the members. The Board's responsibility also includes such internal control as the Board determine is necessary to enable the preparation of a 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 Board are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

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

My 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 my 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of responsible entities' 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 association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions that may cause the 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sean Denham

Dated: 17<sup>th</sup> October 2018  
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 2018**

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**  
**30 JUNE 2018**

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>INCOME</b>			
Grant Income - Operating Funding Commonwealth		1,230,325	1,139,064
Grant Income - Operating Funding State		430,165	405,588
Grant Income - Project Funding CLSP		278,867	295,921
Grant Income - Project Funding Other		1,320,285	764,084
Interest Income		59,713	60,820
Legal Education		47,438	42,750
Legal Services		22,587	24,756
Other Income		27,505	85,764
Membership - WLSV		-	27
Philanthropic Donations		37,260	32,200
Recoupment from FLLS		164,513	171,199
		<u>3,618,658</u>	<u>3,022,173</u>
<b>EXPENDITURE</b>			
Employee benefits expense		2,364,987	2,011,371
Depreciation expense		56,707	50,787
FLLS Costs		395,602	385,327
Premises expense		135,165	135,855
Other expenditure		389,999	282,688
		<u>3,342,460</u>	<u>2,866,028</u>
Surplus/(Loss) before income tax		276,198	156,145
Income tax expense		<u>-</u>	<u>-</u>
Surplus/(Loss) after income tax		276,198	156,145
Other comprehensive income net of income tax expense		<u>-</u>	<u>-</u>
Total Comprehensive income		<u><u>276,198</u></u>	<u><u>156,145</u></u>

**WOMEN'S LEGAL SERVICE VICTORIA INC.**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	<b>Note</b>	<b>2018</b> <b>\$</b>	<b>2017</b> <b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	905,248	1,173,083
Trade and other receivables	3	316,683	159,423
Financial assets	4	<u>1,697,215</u>	<u>1,174,709</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>2,919,146</b></u>	<u><b>2,507,215</b></u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	<u>178,165</u>	<u>188,638</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>178,165</b></u>	<u><b>188,638</b></u>
<b>TOTAL ASSETS</b>		<u><b>3,097,311</b></u>	<u><b>2,695,853</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	213,721	252,130
Provisions	7	239,992	159,465
Grants in advance	8	<u>1,257,920</u>	<u>1,163,687</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>1,711,633</b></u>	<u><b>1,575,282</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	7	<u>264,339</u>	<u>275,430</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,975,972</b></u>	<u><b>1,850,712</b></u>
<b>NET ASSETS</b>		<u><b>1,121,339</b></u>	<u><b>845,141</b></u>
<b>MEMBERS' FUNDS</b>			
Capital Replacement Reserve		90,000	90,000
Retained Surplus		<u>1,031,339</u>	<u>755,141</u>
<b>TOTAL MEMBERS' FUNDS</b>		<u><b>1,121,339</b></u>	<u><b>845,141</b></u>

**WOMEN'S LEGAL SERVICE VICTORIA INC.**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

	<b>Capital Replacement Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	90,000	598,996	688,996
Surplus attributable to the entity	-	156,145	156,145
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2017</b>	90,000	755,141	845,141
Surplus attributable to the entity	-	276,198	276,198
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2018</b>	<u>90,000</u>	<u>1,031,339</u>	<u>1,121,339</u>

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

	<b>Note</b>	<b>2018</b> \$	<b>2017</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from grants		3,213,946	2,632,440
Other receipts		297,580	356,696
Payments to suppliers and employees		(3,272,866)	(2,718,405)
Interest received		<u>62,245</u>	<u>62,557</u>
Net cash provided by/(used in) operating activities	9	<u>300,905</u>	<u>333,288</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property and equipment		(46,234)	(39,431)
(Purchase)/redemption of term deposits		<u>(522,506)</u>	<u>31,154</u>
Net cash provided by/(used in) investing activities		<u>(568,740)</u>	<u>(8,277)</u>
Net increase/(decrease) in cash held		(267,835)	325,011
Cash at the beginning of the year		<u>1,173,083</u>	<u>848,072</u>
Cash at the end of the year	2	<u><u>905,248</u></u>	<u><u>1,173,083</u></u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

**Note 1: Statement of Significant Accounting Policies**

This financial report is special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012*. 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 2018**

**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 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2: Cash and cash equivalents</b>		
Petty Cash	-	131
Cash at Bank	502,305	632,800
Term deposits - short term	402,943	540,152
	<u>905,248</u>	<u>1,173,083</u>
<b>Note 3: Trade and other receivables</b>		
Trade receivables	272,166	134,142
Other receivables	15,320	16,080
Prepayments	29,197	9,201
	<u>316,683</u>	<u>159,423</u>
<b>Note 4: Financial assets</b>		
Term deposits - long term	<u>1,697,215</u>	<u>1,174,709</u>
<b>Note 5: Plant and equipment</b>		
Plant and Equipment	410,115	363,881
Less accumulated depreciation	<u>(232,389)</u>	<u>(176,999)</u>
	<u>177,726</u>	<u>186,882</u>
Intangibles	12,800	12,800
Less accumulated amortisation	<u>(12,361)</u>	<u>(11,044)</u>
	<u>439</u>	<u>1,756</u>
	<u>178,165</u>	<u>188,638</u>
<b>Note 6: Trade and other payables</b>		
<b>Current</b>		
Trade and sundry creditors	105,210	145,406
GST payable	72,777	60,143
PAYG Withholding payable	31,160	25,494
Superannuation payable	4,574	21,087
	<u>213,721</u>	<u>252,130</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Note 7: Provisions</b>		
<b>Current</b>		
Provision for annual leave	161,307	114,023
Provision for long service leave	78,685	45,442
	<u>239,992</u>	<u>159,465</u>
<b>Non-Current</b>		
Other provisions	187,133	217,133
Provision for long service leave	77,206	58,297
	<u>264,339</u>	<u>275,430</u>
<b>Note 8: Grants in advance</b>		
<b>Current</b>		
CLSP Funds received in advance	253,845	181,107
VLA ERO - State	248,325	248,325
VLA ERO - Extra	(a) 51,234	51,234
VLA Child Protection grant in advance	26,054	22,215
VLA - Other	50,000	83,353
Non-CLSP Funds received in advance	628,462	577,453
	<u>1,257,920</u>	<u>1,163,687</u>
(a) VLA ERO - Extra comprises \$15,647 (2014/15), \$10,650 (2013/14) and \$3,007 (2012/13), \$21,930 (2015/16).		
<b>Note 9: Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities after Income Tax</b>		
Surplus after income tax	276,198	156,145
Cash flows excluded from operating surplus attributable to operating activities:		
<i>Non-cash flows in surplus</i>		
- Depreciation	56,707	50,787
<i>Changes in assets and liabilities;</i>		
- (Increase)/decrease in trade and other debtors	(157,260)	(53,273)
- Increase/(decrease) in trade and other payables	(38,409)	56,872
- Increase/(decrease) in provisions	69,436	43,593
- Increase/(decrease) in income in advance	94,233	79,164
Net cash provided by operating activities	<u>300,905</u>	<u>333,288</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Note 10: Operating Lease Commitments</b>		
Operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments:		
- no later than 12 months	161,914	157,982
- between 12 months and five years	152,493	287,489
	<u>314,407</u>	<u>445,471</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. As at the date of this report the Board intend to exercise this option.

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 2018

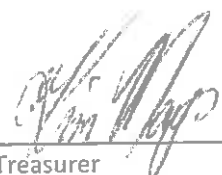
The Board has determined that the Association is not a reporting entity and that this special purpose report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board of Women's Legal Service Victoria Inc.:

- a) the financial statements and notes of Women's Legal Service Victoria Inc. are in accordance with the *Associations Incorporation Reform Act (Vic) 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
- i. giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
  - ii. complying with the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- b) there are reasonable grounds to believe that Women's Legal Service Victoria Inc. will be able to pay its debts as and when they become due and payable.

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

  
Chairperson

  
Treasurer

Dated: 16/10/2018

Dated: 16/10/2018

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

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION  
60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as auditor for the audit of Women's Legal Service Victoria for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

  
Sean Denham

Dated: 17<sup>th</sup> October 2018  
Sean Denham & Associates  
Suite 1, 707 Mt Alexander Road  
Moonee Ponds VIC 3039

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

STATEMENT BY MEMBERS OF THE BOARD  
FOR THE YEAR ENDED  
30 JUNE 2018

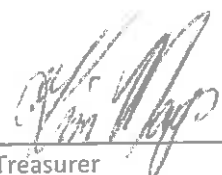
The Board has determined that the Association is not a reporting entity and that this special purpose report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board of Women's Legal Service Victoria Inc.:

- a) the financial statements and notes of Women's Legal Service Victoria Inc. are in accordance with the *Associations Incorporation Reform Act (Vic) 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
- i. giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
  - ii. complying with the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- b) there are reasonable grounds to believe that Women's Legal Service Victoria Inc. will be able to pay its debts as and when they become due and payable.

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

  
Chairperson

  
Treasurer

Dated: 16/10/2018

Dated: 16/10/2018