

JENNY'S PLACE INCORPORATED

ABN: 28 646 270 077

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

JENNY'S PLACE INCORPORATED

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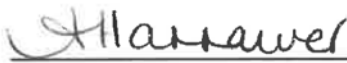
DIRECTORS' DECLARATION

In the directors' opinion:

- The Association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Associations Incorporated Act 2009 (NSW), Class Order 11/01 as issued by the NSW Fair Trading and the financial reporting requirements under the organisation agreement with the Department of Family and Community Services (DFACS);
- The attached financial statements and notes thereto give a true and fair view of the Association's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Director

Treasurer

Dated: 10/10/19



Director

Vice President.

JENNY'S PLACE INCORPORATED

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**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
INCOME		
Donations	70,885	85,082
Department of FACS Funding Grants	1,357,377	1,293,810
Entertainment Books	-	1,477
Fees from Clients	46,349	52,847
Child Support Funding	15,253	-
Interest	5,787	6,301
Membership Fees	24	16
Nova Grant Income	-	11,071
FRRR Grant	-	10,196
Other Income	12,948	387
PWC Grant Income	60,994	80,000
Profit on Sale of Asset	21,700	-
Utilities Income	-	641
TOTAL INCOME	<u>1,591,317</u>	<u>1,541,829</u>
EXPENDITURE		
Accommodation/Outings	89	386
Advances to Women	4,054	3,741
Advertising	2,555	1,154
Audit	7,250	7,000
Bank Charges	449	638
Books/Videos/Subscriptions	3,742	2,604
Child Support Expenses	35	270
Child Support Program	15,253	-
Client Amenities	3,076	4,620
Client Brokerage	29,020	33,276
Conferences & Training	9,557	11,754
Consultancy Expenses	12,014	1,506
Depreciation	1,395	1,608
Depreciation Motor Vehicle	23,472	16,735
Electricity & Gas	11,692	10,655
Fundraising Expenses	591	662
Increase/Decrease Entitlements	(31,051)	7,749
Insurance	8,981	9,275
Motor Vehicle	64,522	10,048
Nova - Admin	-	2,250
Nova - Salary	-	7,713
Nova - Superannuation	-	730
Nova - W/C Insurance	-	379

JENNY'S PLACE INCORPORATED

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**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
EXPENDITURE (CONT)		
Office Supplies	27,931	13,147
Program - Food	7,229	10,131
Program - Replacements	19,601	14,515
Program - Servicing	5,350	8,381
PWC - Office	95	127
PWC - Salary	54,405	70,975
PWC - Superannuation	5,101	6,701
PWC - W/C Insurance	1,392	1,420
RC - Depreciation M/V	-	7,769
RC - Office Overheads	6,313	24,755
RC - Salary	50,947	58,358
RC - Superannuation	4,807	5,458
RC - Telecommunications	-	406
RC - W/C Insurance	1,072	1,068
Repairs & Maintenance	52,585	56,964
Salaries & Wages	1,012,059	964,548
Shopping Vouchers	5,911	9,583
Staff Amenities	3,558	3,268
Staff Uniforms	6,500	-
Superannuation	87,997	88,299
Supervision	3,160	-
Telephone & Communications	41,847	20,328
Travel	2,574	3,631
Workers Compensation Insurance	24,093	37,286
TOTAL EXPENDITURE	<u>1,591,223</u>	<u>1,541,870</u>
SURPLUS / (DEFICIT) ORDINARY ACTIVITIES	<u>94</u>	<u>(41)</u>

JENNY'S PLACE INCORPORATED

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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	2	651,607	640,621
Trade and other receivables	3	4,321	10,660
Prepayments		18,011	19,972
TOTAL CURRENT ASSETS		<u>673,939</u>	<u>671,254</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4	<u>57,271</u>	<u>53,247</u>
TOTAL NON-CURRENT ASSETS		<u>57,271</u>	<u>53,247</u>
TOTAL ASSETS		<u>731,209</u>	<u>724,501</u>
CURRENT LIABILITIES			
Trade and other payables	5	84,367	54,897
Other Liabilities	6	258,750	250,555
Employee provisions	7	294,409	325,461
TOTAL CURRENT LIABILITIES		<u>637,526</u>	<u>630,912</u>
TOTAL LIABILITIES		<u>637,526</u>	<u>630,912</u>
NET ASSETS		<u>93,683</u>	<u>93,589</u>
EQUITY			
Retained earnings		93,683	93,589
TOTAL EQUITY		<u>93,683</u>	<u>93,589</u>

JENNY'S PLACE INCORPORATED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	93,630	93,630
Net Profit/(Loss) for the financial year	(41)	(41)
Other comprehensive income	-	-
Balance at 30 June 2018	<u>93,589</u>	<u>93,589</u>
Net Profit/(Loss) for the financial year	94	94
Other comprehensive income	-	-
Balance at 30 June 2019	<u>93,683</u>	<u>93,683</u>

JENNY'S PLACE INCORPORATED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from clients, donors and government grants		1,640,161	1,521,053
Payments to suppliers and employees		(1,627,772)	(1,575,465)
Interest received		5,787	6,301
Net cash provided by (used in) operating activities	9	<u>18,176</u>	<u>(48,112)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(36,281)	-
Proceeds from disposal of plant and equipment		29,091	-
Net cash provided by (used in) investing activities		<u>(7,190)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		10,986	(48,112)
Cash at beginning of the financial year		640,621	688,733
Cash at end of the financial year		<u><u>651,607</u></u>	<u><u>640,621</u></u>

JENNY'S PLACE INCORPORATED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2019**

These financial statements are for Jenny's Place Incorporated as an individual entity, incorporated and domiciled in Australia. Jenny's Place Incorporated is an Association established under the Associations Incorporated Act 2009 (NSW).

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are special purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Associations Incorporated Act 2009 (NSW), Class Order 11/01 as issued by the NSW Fair Trading and the financial reporting requirements under the organisation agreement with the Department of Family and Community Services (DFACS). A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Group applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The financial statements have been prepared in accordance with applicable Australian Accounting Standards, Australian Accounting Interpretations and other authorised pronouncements with the exception of the following:

- AASB 119 - Employee benefits; and
- AASB 1004 - Contributions.

Summary of Accounting Policies

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at call with banks, other short term highly liquid investments with original maturities of the three months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance

(c) Trade and Other Receivables

Trade and other receivables are recognised as the net amounts receivable after the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2019

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Trade and Other Payables

Trade and other payables are recognised as the net amounts payable after the end of the financial year.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised at the net amounts of GST. Receivables and payables in the statement of financials positions are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Revenue

Interest

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

Contributions

Grants, donations and other contributions are generally recognised as revenue when the Association obtains control over the granted assets. Control over granted assets normally occurs at the time they are received. However, where any amounts of grants or donations are received remain unexpended at balance date and may be refunded, or were provided for a specific purpose, these amounts are not brought to account as revenue and are disclosed as an Other Liability.

(g) Employee Benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, and annual, sick and stress leave are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current liabilities. The liability is measured as the amounts expected to be paid when the liability is settled. No consideration given to the expected future wage and salary levels, experience of employee departures and periods of service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2019

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(h) Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment. It is policy of the Association that all plant and equipment be depreciated at 10% diminishing value, with motor vehicles depreciated at a rate of 25% prime cost.

Any property, plant and equipment costing less than \$30,000 is immediately written off through Profit & Loss statement in the year when purchased. This is a policy of the Associations in regards to property, plant and equipment and is seen as the most appropriate way of aligning the timing difference that occurs at times in regards to funding and equipment expenditure.

(i) Economic Dependency

The Association is dependent upon the ongoing receipt of Federal Government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report, management has no reason to believe that this financial support will not continue, with a signed agreement with the Federal Government until 2020.

(j) Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after 1 July 2018

A number of new and revised standards become effective for the first time to annual periods beginning on or after 1 July 2018. The adoption of these amendments did not have a material impact on the Association.

Accounting Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted. The Association's assessment of the impact of these new standards and interpretations is set out below.

AASB 16: Leases (applicable for reporting periods beginning on or after 1 January 2019)

AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use the asset will be recognised which will be mortised over that term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.

Whilst the impact of AASB 16 has not yet been quantified, it is not anticipated that this will result in a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2019

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(j) Changes in accounting policies (Cont)

AASB 15: Revenues from contracts with customers and AASB 1058: Income for Not-For-Profits (applicable for reporting periods beginning on or after 1 January 2019)

AASB 15 and AASB 1058 introduces a five step process for revenue recognition with the core principle being to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 and AASB 1058 may require the upfront recognition of revenue from grants and donations. However, the Company intends to recognise any cumulative effect of retrospective application of the changes directly to equity as at 1 July 2019 (if any), and therefore no impact on 2019 comparative information.

(k) Critical accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Estimate of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee leave provision

Employee leave entitlements for sick and stress leave have been recognised as a current liability in the financial statements. While these liabilities are non-vesting in nature, the company has a strong history of these leave balances being utilised by employees (due to the nature of the work completed). As such, Management has applied the assumption that the probability of the leave entitlements being utilised is sufficiently high.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2019**

	2019	2018
	\$	\$
Note 2: CASH AND CASH EQUIVALENTS		
Cash on hand	1,200	1,200
Cash at bank	96,530	46,381
High interest investment accounts	553,877	593,040
	<u>651,607</u>	<u>640,621</u>
Note 3: TRADE AND OTHER RECEIVABLES		
Trade receivables	4,321	10,660
Other receivables	-	-
	<u>4,321</u>	<u>10,660</u>
Note 4: PROPERTY, PLANT AND EQUIPMENT		
Plant & Equipment	105,354	105,354
Less Accum Depreciation P&E	(93,430)	(92,035)
	<u>11,923</u>	<u>13,318</u>
Motor Vehicles at Cost	152,135	98,003
Less Accum Depreciation Motor Vehicles	(106,788)	(58,074)
	<u>45,347</u>	<u>39,929</u>
	<u>57,271</u>	<u>53,247</u>
Note 5: TRADE AND OTHER PAYABLES		
Trade payables	50,533	5,818
GST and PAYG withholding payable	26,810	32,724
Other payables	7,024	16,355
	<u>84,367</u>	<u>54,897</u>
Note 6: OTHER LIABILITIES		
Grants and donations in advance	258,750	250,555
	<u>258,750</u>	<u>250,555</u>
Note 7: EMPLOYEE PROVISIONS		
Provision for annual leave	104,251	120,192
Provision for long service leave	142,606	149,269
Provision for other leave	47,551	55,999
	<u>294,409</u>	<u>325,461</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2019**

Note 8: FINANCIAL RISK MANAGEMENT

The Association's financial instrument consists only of deposits with banks. The total for cash and cash equivalent, measured in accordance with *AASB 139: Financial Instruments - Recognition and Measurement*, is outlined at Note 2 of the financial statements.

Specific Financial Risk Exposures

The main risks the Association is exposed to through its financial instruments is interest rate risk and foreign exchange risk.

Interest Rate Risk

Exposure to interest rate risk arises on the financial assets recognised at reporting date whereby a future change in interest rates will affect future cash flows. The Association is also exposed to earnings volatility on floating rate instruments.

Foreign Exchange Rate Risk

Exposure to foreign exchange rate risk arises on the financial assets recognised at reporting date whereby a future change in foreign exchange rates will affect future cash flows.

Net Fair Values

During the financial year, the Association did not invest in listed investments. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair value have not been written down as the principal intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of the financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Liquidity Risk

The Association has a zero level of gearing and manages liquidity risk by closely monitoring forecast and actual cash flows.

Sensitivity Analysis

The Association performed a sensitivity analysis relating to financial risk exposures. This analysis identified that potential changes in risk exposures would not have a material impact on the financial position or performance of the Association.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2019**

	2019	2018
	\$	\$
Note 9: CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit/(loss) after income tax	94	(41)
Add/(Less) non-cash items:		
Depreciation expense	24,867	26,112
Profit on sale of assets	(21,700)	-
Movement in balance sheet accounts:		
(Increase)/decrease in trade and other receivables	6,340	(834)
(Increase)/decrease in prepayments	1,961	(6,299)
Increase/(decrease) in trade and other creditors	29,470	(33,431)
Increase/(decrease) in other liabilities	8,195	(41,368)
Increase/(decrease) in employee leave provision	(31,051)	7,749
	<u>18,176</u>	<u>(48,112)</u>

Note 10: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Note 11: CONTINGENT ASSETS AND LIABILITIES

In the opinion of the Directors, the Association did not have any contingencies at 30 June 2019 (30 June 2018: None).

JENNY'S PLACE INCORPORATED
A.B.N 28 646 270 077

INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Opinion

We have audited the financial report of Jenny's Place Incorporated (the Company), which comprises the balance sheet as at 30 June 2019, the profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Board.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 30 June 2019, and its financial performance, changes in equity and its cash flows for the year then ended in accordance with the accounting policies outlined at Note 1 to the financial report.

In addition, we have satisfied ourselves that:

- i. an amount equal to the grant paid has been expensed in the approved programme according to the conditions specified in the funding agreement with the Department of Community Services;
- ii. the establishment of provisions is justified and represents funds set aside for employee leave entitlements and other committed expenditure; and
- iii. the financial statements present a true and fair view of the operations of the Company.

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 and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 to assist the Company to meet the requirements of the applicable legislation. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Lambourne Partners



Responsibilities of Management and Those Charged with Governance for the Financial Report

Management and Those Charged with Governance are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

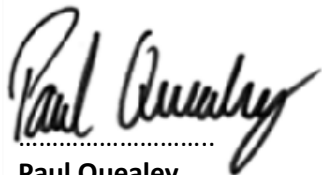
Auditor's Responsibilities for the Audit of the Financial Report

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are 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 our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We 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 we identify during our audit.



Paul Quealey

Registered Company Auditor (499789)

Lambourne Partners

Chartered Accountants

Level 1, 56 Hudson Street

HAMILTON NSW 2303

Dated: 11 October 2019