

JENNY'S PLACE INCORPORATED
ABN 28 646 270 077

**INDEPENDENT AUDIT REPORT
TO THE COMMITTEE OF
JENNY'S PLACE INCORPORATED**

We have audited the accompanying financial report of Jenny's Place Incorporated, which comprises the Balance Sheet as at 30 June 2016 and the Profit and Loss Statement, and Statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

Committees' Responsibility for the Financial Report

The Committee of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These 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. The financial statements have been prepared for distribution to members for the purpose of fulfilling the requirements of the Associations Incorporation Act (NSW). I disclaim any assumption of responsibility for any reliance on this report or on the financial statements prepared as a special purpose financial report to which it relates to any person other than the members, or for any purposes other than that for which it was prepared.

An audit involves performing procedures to obtain audit evidence about the 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

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Partners:

Stephen Lambourne B.Comm FCA

Scott Lucas B.Comm FCA CFP

Paul Franks B.Comm CA CTA

Jason Ginns B.Comm (Acc) FCPA

Chad Nean B.Comm CA

Chad Stead B.Comm CPA

Michael Kinniard B.Comm CA MAppTax

Associate: Leslie Brien B.Comm CA

JENNY'S PLACE INCORPORATED
ABN 28 646 270 077

INDEPENDENT AUDIT REPORT
TO THE MEMBER OF
JENNY'S PLACE INCORPORATED

Independence

In conducting our audit, we complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion:

The financial report of Jenny's Place Incorporated:

- (i) gives a true and fair view of the Associations financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the Association Incorporation Act (NSW)

I have satisfied myself that :

- (i) an amount equal to the grant paid has been expended in the approved programme according to the conditions specified in the funding agreement from 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 statement present a true and fair view of the operations of the Association.


SCOTT GRAHAM LUCAS
REGISTERED COMPANY AUDITOR (4384)
LAMBOURNE PARTNERS

HAMILTON

DATED:- 19th October 2016


**JENNY'S PLACE INCORPORATED
ABN 28 646 270 077**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE COMMITTEE OF
JENNY'S PLACE INCORPORATED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



Auditor: **Scott Lucas**

Hamilton

Dated: 12th October 2016

Jenny's Place Incorporated

PO Box 2055
Dangar NSW 2309

Profit & Loss [Last Year Analysis]

July 2015 through June 2016

10/10/2016
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	This Year	Last Year	\$ Difference	% Difference
Income				
Services				
DpFACSFunding Grants	\$1,230,707.32	\$1,066,607.02	\$164,100.30	15.4%
DpHumanServices One-Off Grants	\$0.00	\$85,902.00	-\$85,902.00	(100.0%)
Fees from Clients	\$57,809.38	\$40,006.06	\$17,803.32	44.5%
Total Services	\$1,288,516.70	\$1,192,515.08	\$96,001.62	8.1%
Fundraising				
Entertainment Books	\$2,989.10	\$2,400.01	\$589.09	24.5%
Total Fundraising	\$2,989.10	\$2,400.01	\$589.09	24.5%
Administration				
Management Fees	\$320.00	\$605.00	-\$285.00	(47.1%)
Membership Fees	\$24.00	\$12.00	\$12.00	100.0%
Utilities Income	\$591.33	\$430.28	\$161.05	37.4%
Total Administration	\$935.33	\$1,047.28	-\$111.95	(10.7%)
Interest	\$10,452.80	\$10,934.17	-\$481.37	(4.4%)
Profit on Sale of Asset	\$0.00	\$700.00	-\$700.00	(100.0%)
Insurance Recoveries	\$0.00	\$3,600.00	-\$3,600.00	(100.0%)
Total Income	\$1,302,893.93	\$1,211,196.54	\$91,697.39	7.6%
Cost of Sales				
Services Direct Costs				
Program	\$0.00	\$35,000.00	-\$35,000.00	(100.0%)
Total Services Direct Costs	\$0.00	\$35,000.00	-\$35,000.00	(100.0%)
Fundraising				
Entertainment Books	\$0.00	\$1,254.55	-\$1,254.55	(100.0%)
Total Fundraising	\$0.00	\$1,254.55	-\$1,254.55	(100.0%)
Total Cost of Sales	\$0.00	\$36,254.55	-\$36,254.55	(100.0%)
Gross Profit	\$1,302,893.93	\$1,174,941.99	\$127,951.94	10.9%
Expenses				
Administration Expenses				
Administration	\$0.00	\$9.09	-\$9.09	(100.0%)
Advertising	\$9,041.55	\$3,089.68	\$5,951.87	192.6%
Audit	\$8,500.00	\$6,000.00	\$2,500.00	41.7%
Assets < \$20000	\$5,538.53	\$18,764.55	-\$13,226.02	(70.5%)
Bad Debt	\$101.00	\$0.00	\$101.00	NA
Bank Charges	\$522.71	\$440.38	\$82.33	18.7%
Bookkeeping	\$0.00	\$6,697.73	-\$6,697.73	(100.0%)
GST Rounding	-\$1.69	\$0.36	-\$2.05	(569.4%)
Consultancy Expenses	\$11,000.00	\$2,760.00	\$8,240.00	298.6%
Donation Expenses	\$0.00	\$30.00	-\$30.00	(100.0%)
Depreciation	\$2,162.00	\$2,572.70	-\$410.70	(16.0%)
Depreciation Motor Vehicle	\$23,965.00	\$7,492.80	\$16,472.20	219.8%
Electricity & Gas	\$7,869.40	\$8,113.18	-\$243.78	(3.0%)
Fundraising Expenses	\$2,956.37	\$381.82	\$2,574.55	674.3%
Insurance	\$7,020.28	\$6,453.27	\$567.01	8.8%
Motor Vehicle	\$9,706.78	\$11,105.03	-\$1,398.25	(12.6%)
Office Supplies	\$28,261.76	\$30,307.30	-\$2,045.54	(6.7%)
Repairs & Maintenance	\$27,976.28	\$124,207.72	-\$96,231.44	(77.5%)
Telephone & Communications	\$26,101.71	\$50,412.70	-\$24,310.99	(48.2%)
Total Administration Expenses	\$170,721.68	\$278,838.31	-\$108,116.63	(38.8%)
Brokerage				
Accommodation/Outings	\$1,617.78	\$706.37	\$911.41	129.0%
Advances to Women	\$5,134.98	\$7,573.31	-\$2,438.33	(32.2%)
Client Amenities	\$250.30	\$0.91	\$249.39	27,405.5%
Client Brokerage	\$21,157.36	\$12,323.26	\$8,834.10	71.7%
Follow Up & Group Work	\$0.00	\$100.52	-\$100.52	(100.0%)
Shopping Vouchers	\$2,470.00	\$7,695.00	-\$5,225.00	(67.9%)
Total Brokerage	\$30,630.42	\$28,399.37	\$2,231.05	7.9%
Program Expenses				
Books/Videos/Subscriptions	\$3,102.63	\$4,897.73	-\$1,795.10	(36.7%)

Jenny's Place Incorporated

Profit & Loss [Last Year Analysis]

July 2015 through June 2016

10/10/2016
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	This Year	Last Year	\$ Difference	% Difference
Child Support Expenses	\$245.45	\$1,770.99	-\$1,525.54	(86.1%)
Program - Food	\$12,815.96	\$14,224.41	-\$1,408.45	(9.9%)
Program - Servicing	\$5,950.24	\$5,262.32	\$687.92	13.1%
Program - Replacements	\$17,858.88	\$50,698.01	-\$32,839.13	(64.8%)
Program - Special DV Line	\$1,797.65	\$3,197.17	-\$1,399.52	(43.8%)
Total Program Expenses	<u>\$41,770.81</u>	<u>\$80,050.63</u>	<u>-\$38,279.82</u>	<u>(47.8%)</u>
Wage/Employment Expenses				
Conferences & Training	\$938.72	\$19,431.27	-\$18,492.55	(95.2%)
Salaries & Wages	\$870,278.31	\$614,989.81	\$255,288.50	41.5%
Superannuation	\$79,217.41	\$57,361.82	\$21,855.59	38.1%
Supervision	\$2,750.00	\$875.00	\$1,875.00	214.3%
Staff Amenities	\$1,709.10	\$779.58	\$929.52	119.2%
Travel	\$3,734.85	\$1,820.43	\$1,914.42	105.2%
Workers Compensation Insurance	\$28,246.48	\$25,257.66	\$2,988.82	11.8%
Increase/Decrease Entitlements	\$76,298.00	\$67,560.07	\$8,737.93	12.9%
Total Wage/Employment Expenses	<u>\$1,063,172.87</u>	<u>\$788,075.64</u>	<u>\$275,097.23</u>	<u>34.9%</u>
Total Expenses	<u>\$1,306,295.78</u>	<u>\$1,175,363.95</u>	<u>\$130,931.83</u>	<u>11.1%</u>
Operating Profit	<u>-\$3,401.85</u>	<u>-\$421.96</u>	<u>-\$2,979.89</u>	<u>(706.2%)</u>
Other Income				
Income from Donations	\$59,348.46	\$59,931.69	-\$583.23	(1.0%)
Total Other Income	<u>\$59,348.46</u>	<u>\$59,931.69</u>	<u>-\$583.23</u>	<u>(1.0%)</u>
Other Expenses				
Resource C Office Overheads	\$4,999.89	\$6,633.43	-\$1,633.54	(24.6%)
Resource C Mileage	\$36.66	\$69.26	-\$32.60	(47.1%)
Resource C Salaries & Wages	\$49,210.90	\$45,135.51	\$4,075.39	9.0%
Resource C Superannuation	\$4,637.34	\$4,688.93	-\$51.59	(1.1%)
Resource C Telephone&Communic	\$463.67	\$3,404.56	-\$2,940.89	(86.4%)
Total Other Expenses	<u>\$59,348.46</u>	<u>\$59,931.69</u>	<u>-\$583.23</u>	<u>(1.0%)</u>
Net Surplus / (Deficit)	<u>-\$3,401.85</u>	<u>-\$421.96</u>	<u>-\$2,979.89</u>	<u>(706.2%)</u>

Jenny's Place Incorporated

PO Box 2055
Dangar NSW 2309

Balance Sheet [Last Year Analysis]

13th Period 2016

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	This Year	Last Year	\$ Difference	% Difference
Assets				
Current Assets				
Cash On Hand				
CBA Cheque Account 111	\$26,064.20	\$23,096.62	\$2,967.58	12.8%
CBA Online Saver Account 997	\$474,544.63	\$436,418.78	\$38,125.85	8.7%
NPBS Debit Card	\$4,704.18	\$5,995.60	-\$1,291.42	(21.5%)
CBA Fundraising Account 103	\$9,735.63	\$4,450.51	\$5,285.12	118.8%
Total Cash On Hand	\$515,048.64	\$469,961.51	\$45,087.13	9.6%
Investments				
NPBS Term Deposit 802	\$85,525.99	\$83,173.19	\$2,352.80	2.8%
Total Investments	\$85,525.99	\$83,173.19	\$2,352.80	2.8%
Electronic Clearing Account	\$0.00	-\$21,204.00	\$21,204.00	100.0%
Float Gen acct	\$400.00	\$400.00	\$0.00	0.0%
Taxi Charge Account	\$100.00	\$100.00	\$0.00	0.0%
P/C Float Resource Centre	\$200.00	\$200.00	\$0.00	0.0%
P/C Float - Outreach	\$300.00	\$200.00	\$100.00	50.0%
P/C Float Merewether	\$200.00	\$200.00	\$0.00	0.0%
Total Current Assets	\$601,774.63	\$533,030.70	\$68,743.93	12.9%
Other Assets				
Interest receivable	\$321.48	\$353.20	-\$31.72	(9.0%)
Meal Entertainment	\$6,476.00	\$0.00	\$6,476.00	NA
Prepayments	\$5,819.30	\$6,105.43	-\$286.13	(4.7%)
Total Other Assets	\$12,616.78	\$6,458.63	\$6,158.15	95.3%
Property & Equipment				
Plant & Equipment	\$105,353.50	\$105,353.50	\$0.00	0.0%
Less Accum. Depr. P&E	-\$88,571.20	-\$86,409.20	-\$2,162.00	(2.5%)
Total Property & Equipment	\$16,782.30	\$18,944.30	-\$2,162.00	(11.4%)
Motor Vehicles				
Motor Vehicles at Cost	\$106,003.69	\$106,003.69	\$0.00	0.0%
Motor Vehicles Accum Dep	-\$82,429.97	-\$58,464.97	-\$23,965.00	(41.0%)
Total Motor Vehicles	\$23,573.72	\$47,538.72	-\$23,965.00	(50.4%)
Total Assets	\$654,747.43	\$605,972.35	\$48,775.08	8.0%
Liabilities				
Current Liabilities				
Trade Creditors	\$54,278.63	\$40,579.17	\$13,699.46	33.8%
Sundry Creditor	-\$2,234.77	-\$50.09	-\$2,184.68	(4,361.5%)
Accrued Expenses	\$7,000.00	\$98,859.64	-\$91,859.64	(92.9%)
Loan - Client Brokerage	-\$2,608.88	\$0.00	-\$2,608.88	NA
Total Current Liabilities	\$56,434.98	\$139,388.72	-\$82,953.74	(59.5%)
GST Liabilities				
GST Collected	\$29,965.55	\$1,900.94	\$28,064.61	1,476.4%
GST Paid	-\$13,483.70	-\$9,458.06	-\$4,025.64	(42.6%)
Total GST Liabilities	\$16,481.85	-\$7,557.12	\$24,038.97	318.1%
Payroll Liabilities				
PAYG Payable	\$18,587.00	\$0.00	\$18,587.00	NA
Total Payroll Liabilities	\$18,587.00	\$0.00	\$18,587.00	NA
Current Liabilities - Other				
Grants in Advance - Capacity B	\$77,074.94	\$77,074.94	\$0.00	0.0%
Total Current Liabilities - Other	\$77,074.94	\$77,074.94	\$0.00	0.0%
Provisions for Leave				
Provision for Annual Leave	\$100,358.63	\$58,398.68	\$41,959.95	71.9%
Provision for LSL	\$113,994.92	\$97,411.79	\$16,583.13	17.0%
Provision for Personal Leave	\$27,708.72	\$16,419.75	\$11,288.97	68.8%
Provision for Stress Leave	\$13,281.65	\$6,815.70	\$6,465.95	94.9%
Total Provisions for Leave	\$255,343.92	\$179,045.92	\$76,298.00	42.6%
Provisions - Other				
Provision DV Committee Funds	\$469.28	\$342.20	\$127.08	37.1%
Total Provisions - Other	\$469.28	\$342.20	\$127.08	37.1%
Provisions for Donations				
Prov Donations 15 16 RC	\$0.00	\$120,645.11	-\$120,645.11	(100.0%)
Prov Donations 16-17 RC	\$136,724.73	\$0.00	\$136,724.73	NA

Jenny's Place Incorporated

Balance Sheet [Last Year Analysis]

13th Period 2016

10/10/2016
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	This Year	Last Year	\$ Difference	% Difference
Total Provisions for Donations	\$136,724.73	\$120,645.11	\$16,079.62	13.3%
Total Liabilities	\$561,116.70	\$508,939.77	\$52,176.93	10.3%
Net Assets	\$93,630.73	\$97,032.58	-\$3,401.85	(3.5%)
Equity				
Retained Earnings	\$97,032.58	\$179,382.91	-\$82,350.33	(45.9%)
Current Year Surplus/Deficit	-\$3,401.85	-\$421.96	-\$2,979.89	(706.2%)
Historical Balancing	\$0.00	-\$81,928.37	\$81,928.37	100.0%
Total Equity	\$93,630.73	\$97,032.58	-\$3,401.85	(3.5%)

JENNY'S PLACE INCORPORATED
ABN 28 646 270 077

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
Cash flows from operating activities		
Cash receipts in the course of ordinary business	1,488,948	1,402,917
Cash payments in the course of operations	(1,451,861)	(1,079,202)
Interest received	10,453	10,934
Interest paid	<u>0</u>	<u>0</u>
Net cash provided by operating activities	<u>47,540</u>	<u>334,648</u>
Cash flows from investing activities		
Property, Plant & Equipment Purchases	0	(31,078)
Property, Plant & Equipment Sales	<u>0</u>	<u>23,000</u>
Net cash outflow used in investing activities	<u>0</u>	<u>(8,078)</u>
Net (decrease)/increase in cash held	47,540	326,570
Cash at beginning of financial year	<u>554,234</u>	<u>227,664</u>
Cash at end of financial year	<u><u>601,774</u></u>	<u><u>554,234</u></u>

JENNY'S PLACE INCORPORATED
ABN 28 646 270 077

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

1 Statement of Significant Accounting Policies

The financial statements are a special purpose report prepared for use by the directors and the members. The directors have determined that the association is not a reporting entity because there are no users dependent on general purpose financial statements.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

No Australian Accounting Standards, Australian Accounting Interpretations Views or other authoritative pronouncements of the Australian Accounting Standards Board have been intentionally applied.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or:

Donations

When Donations are received they are considered a liability of the organisation. Donations are generally committed for the ongoing funding of the Outreach Program firstly and secondly to other specific programmes as decided by the Committee. . As such, a provision is created in the balance sheet as a liability to allocate these donations when they are received. Then each month this account is reduced to correspond with the expenditure for program for the month. These programs effectively will only operate as long as there are sufficient funding to support them. There is a definite commitment by the Committee for expenditure and there is a designated employee to who is responsible for the this program.

Grants

Grant Income is recognised at the fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. All grants received from the Department of the Community Services during the 2016 financial year were fully expensed.

Interest

Interest revenue is recognised as interest accrues. There is also an accrual brought to account to recognise that income that is receivable on the term deposit.

JENNY'S PLACE INCORPORATED
ABN 28 646 270 077

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

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Accrued Expenses

The accrued expenses shown in the accounts relate to the accrual of the Audit expenses of the organisation.

Property, 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 and motor vehicles are to be depreciated at 10% prime cost.

There was a change of policy in regards to writing off assets in the 2015 year. The policy changed on 10th June 2015 and resulted in an increase in the immediate write off of assets. (Note: The previous immediate write off level was \$10,000)

As a result of this policy change, any property, plant and equipment costing less than \$20,000 is immediately written off through Profit & Loss statement. 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.

There was a change of policy in regards to the depreciation rate for the motor vehicles. The policy changed on 27th June 2016 and resulted in an increase in the depreciation claim for the motor vehicles in the 2016 year.

As a result of this policy change, any motor vehicles that are held or purchased in the future are to be depreciated at a rate of 25%.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised in non 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 non 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.