

ST KILDA GATEHOUSE INCORPORATED
ABN: 76 557 051 941

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

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Committee's Report

The committee members present their report, together with the financial statements, on the St Kilda Gatehouse Inc for the financial year ended 30 June 2016.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Mark Watt (Chair)	Claire-Anne Willis (Secretary)
Felicity Langton (Vice Chair)	Dianne Azoor Hughes (from February 2016)
Ruth Baker	George Benney (from August 2016)
James Burnet	

Principal Activities

St Kilda Gatehouse is a not for profit Christian organisation which works alongside those involved in street based sex work or affected by commercial sexual exploitation as a result of hardship. St Kilda Gatehouse works to restore a sense of dignity and hope through providing immediate support and building trust and relationship by:

- providing a place of belonging;
- creating connections and the opportunity to participate in community life;
- helping individuals navigate pathways off the streets; and
- holistically building on individual strengths and capacity.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the company during the financial year ended 30 June 2016.

Matters Subsequent to the End of Financial Year

No matters or circumstance have arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations or the company's state of affairs in future financial years.


Operating Result

The surplus for the 2016 financial year amounted to \$19,561 (2015: surplus of \$1,757).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 5 of the financial report.

This report is signed in accordance with a resolution of the members of the committee.



MARK WATT



PENELOPE SMITH

St Kilda

21 November 2016

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of the financial report of St Kilda Gatehouse Incorporated for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads "Rsm".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be "Warwick Spargo".

Warwick Spargo
Partner

Melbourne, Victoria
21 November 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2016

	Note	2016 \$	2015 \$
Grant and Foundation income	2	694,700	532,674
Donations		60,006	64,110
Special event income		92,710	99,478
Interest income		4,156	8,531
Other income		12,252	8,784
Total Income		863,824	713,577
Program expenses		(126,881)	(118,889)
Fundraising and promotional expenses		(30,350)	(28,205)
Staff expenses		(614,652)	(461,129)
Depreciation and amortisation	6, 7	(37,452)	(13,638)
Administration expense		(44,429)	(89,959)
Total expenditure		(853,764)	(711,820)
Net result from transactions		10,061	1,757
Other economic flows included in the net results			
Net gain / (loss) on non-financial assets		9,500	-
Net current year surplus / (deficits)		19,561	1,757
Other comprehensive income for the year		-	-
Total comprehensive income for the year		19,561	1,757

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	3	217,505	173,504
Investments	3	56,714	104,089
Accounts receivable and other debtors	4	69,086	20,462
Inventories	5	5,154	4,068
Other current assets	5	17,810	14,207
Total Current Assets		366,269	316,330
Non-Current Assets			
Plant and equipment	6	81,449	91,943
Intangibles	7	-	3,737
Total Non-Current Assets		81,449	95,680
Total Assets		447,718	412,010
Current Liabilities			
Accounts payable and other payables	8	28,521	24,552
Grants received in advance	9	172,682	181,280
Employee Provisions	10	56,164	38,824
Total Current Liabilities		257,367	244,656
Non-Current Liabilities			
Employee Provisions	10	4,762	1,325
Total Non-Current Liabilities		4,762	1,325
Total Liabilities		262,129	245,981
Net Assets		185,589	166,029
Equity			
Retained surplus		185,590	166,029
Total Equity		185,590	166,029

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2016

	Retained Surplus \$	Total Equity \$
Balance at 1 July 2014	164,272	164,272
Profit / (loss) attributed to the entity	<u>1,757</u>	<u>1,757</u>
Balance at 30 June 2015	<u>166,029</u>	<u>166,029</u>
Balance at 1 July 2015	166,029	166,029
Profit / (loss) attributed to the entity	<u>19,561</u>	<u>19,561</u>
Balance at 30 June 2016	<u>185,590</u>	<u>185,590</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipts from donations and grants		685,936	666,492
receipts from fundraising events		92,710	99,478
Receipts from other income		13,783	17,315
Payments to suppliers		(194,224)	(242,223)
Payments to employees		(590,483)	(446,820)
Net cash generated from / (used in) operating activities	11	7,722	94,242
Cash Flows from Investing Activities			
Proceeds for disposal of investment		50,000	-
Proceeds for disposal of plant and equipment		9,500	-
Payment for investments		-	(4,089)
Payment for plant and equipment		(23,221)	(80,530)
Net cash used in investing activities		36,279	(84,619)
Net increase / (decrease)		44,001	9,623
Cash and cash equivalents at the beginning of the financial year		173,504	163,881
Cash and cash equivalents at the end of the financial year		217,505	173,504

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

a. Reporting entity

The financial statements cover St Kilda Gatehouse Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is the entity's functional and presentation currency.

St Kilda Gatehouse Incorporated is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

29a Greeves Street
St Kilda VIC 3182

A description of the nature of the incorporated association's operations and its principal activities are included in the Committee's report, which is not part of the financial statements.

The financial statements were authorised for issue on 21st November 2016.

b. Basis of preparation

The financial statements are special purpose financial statements 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* (Cth). The committee has determined that the association is not a reporting entity.

The financial statements have been prepared in accordance with all recognition and measurement requirements of the Australian Accounting Standards (AASs) and the significant policies disclosed below, which the committee members have determined as appropriate to meet the needs of the members. The minimum requirement of the AASs includes the following standards:

- AASB 101 - Presentation of Financial Statements
- AASB 107 - Statement of Cash Flows
- AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 - Interpretation of Standards
- AASB 1054 - Australian Additional Disclosures

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

c. Revenue

Non-reciprocal grant revenue is recognized in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (cont'd)

c. Revenue (cont'd)

Donations and bequests are recognized as revenue when received.

Interest revenue is recognized when received. Dividend revenue is recognized when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognized upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax.

d. Inventory

Inventories are measured at the lower of cost and current replacement cost

e. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event that the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognized at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalized lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

	2016	2015
Plant and Equipment	20 – 33%	20 – 33%
Motor Vehicles	20%	20%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (cont'd)

e. Plant and Equipment (cont'd)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds on disposal with the carrying amount. These gains and losses are recognized in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Intangibles

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortization and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

g. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

h. Financial Instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognized in profit or loss through the amortization process and when the financial asset is derecognized.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (cont'd)

h. Financial Instruments (cont'd)

Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognized in profit or loss through the amortization process and when the financial liability is derecognized.

i. Impairment of assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognized in the income and expenditure statement.

j. Employee benefits

Provisions for employee benefits are recognised when the company 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. Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlement, provisions made in respect of employee benefits are classified as a current liability unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Defined contribution superannuation expense

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (cont'd)

k. Provisions

Provisions are recognized when the entity 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 recognized represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. Cash and cash equivalent

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

m. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

n. Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period which remain unpaid. The balance is recognized as a current liability with the amount being normally paid within 30 days of recognition of the liability.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognized 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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

p. 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*.

q. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (cont'd)

s. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

t. New Accounting Standards for Application in Future Periods

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 2. Grant and Foundation Income

	2016	2015
	\$	\$
Trust and Foundation contributions	588,113	479,420
Government grants (i)	96,302	36,626
Other grant and foundation Income	10,285	16,629
	<u>694,700</u>	<u>532,674</u>

- (i) St Kilda Gatehouse recognised \$57,924 of Family Preservation grant from the Department of Health and Human Services in June 2016. The fund is earmarked for work to be performed between July and December 2016. In order to comply with AASB 1004 this money was brought into income in the 2015/16 financial year, even though it relates to the 2016/17 financial year.

Note 3. Cash on Hand

Cash and cash equivalents

Cash at bank	216,805	173,004
Cash float	700	500
	<u>217,505</u>	<u>173,504</u>

Investments

Bank deposits	56,714	104,089
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Total cash and investments

	<u>274,219</u>	<u>277,593</u>
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Note 4. Accounts Receivable and Other Debtors

CURRENT

Accounts receivables	69,086	8,914
GST Receivables	-	11,548
	<u>69,086</u>	<u>20,462</u>

Note 5. Other Assets

CURRENT

Inventory	5,154	4,068
Prepayments	17,810	14,207
	<u>22,964</u>	<u>18,275</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 6. Plant and Equipment

	2016	2015
	\$	\$
Plant and equipment - at cost	61,213	42,749
less accumulated depreciation	<u>(33,188)</u>	<u>(19,871)</u>
	28,025	22,878
Motor vehicles - at cost	58,805	71,805
less accumulated depreciation	<u>(14,991)</u>	<u>(11,768)</u>
	43,814	60,037
Leasehold improvement - at cost	15,625	10,225
less accumulated amortisation	<u>(6,015)</u>	<u>(1,197)</u>
	9,610	9,028
Total plant and equipment	<u>81,449</u>	<u>91,943</u>

a. Movements in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Plant and equipment	Motor vehicle	Leasehold improvement	Total
		\$	\$	\$
Balance at 1 July 2014	13,030	5,578	1,638	20,246
Additions	13,320	58,805	8,405	80,530
Disposals	-	-	-	-
Depreciation and amortisation	(3,472)	(4,346)	(1,015)	(8,833)
Balance at 30 June 2015	<u>22,878</u>	<u>60,037</u>	<u>9,028</u>	<u>91,943</u>
Additions	18,464	-	4,757	23,221
Disposals	-	-	-	-
Depreciation and amortisation	(13,317)	(16,223)	(4,175)	(33,715)
Balance at 30 June 2016	<u>28,025</u>	<u>43,814</u>	<u>9,610</u>	<u>81,449</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 7. Intangible Assets

	2016	2015
	\$	\$
Computer software - at cost	14,560	14,560
less accumulated amortisation	<u>(14,560)</u>	<u>(10,823)</u>
	<u><u>-</u></u>	<u><u>3,737</u></u>

Note 8. Accounts Payables and Other Payables

Accounts payable	16,781	16,297
Payroll payable	11,647	8,255
GST payable	93	-
	<u><u>28,521</u></u>	<u><u>24,552</u></u>

Note 9. Grants Received in Advance

Repayable government and philanthropic grants	<u>230,606</u>	<u>181,280</u>
	<u><u>230,606</u></u>	<u><u>181,280</u></u>

This liability represents funds from gifts received, but not yet spent in accordance with the wishes of the donors. Funds are brought to account through the Income and Expenditure Statement as expenses are incurred and projects are completed.

Note 10. Employee Provisions

CURRENT		
Provisions for annual leave	20,758	19,614
Provisions for long service leave - unconditional	33,272	19,210
Paid Parental Leave	2,134	
	<u>56,164</u>	<u>38,824</u>
NON-CURRENT		
Provisions for long service leave - conditional	<u>4,762</u>	<u>1,325</u>
	<u><u>4,762</u></u>	<u><u>1,325</u></u>
Total employee provisions	<u><u>60,926</u></u>	<u><u>40,149</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Note 11. Reconciliation of cash flows from operations with net current year surplus

	2016	2015
	\$	\$
Net current year surplus / (deficits)	19,560	1,757
Non-cash flows in profit		
Depreciation and amortisation	37,452	13,638
Accrued Interest income	(2,625)	-
(Gain) / loss on disposal of plant and equipment	(9,500)	-
Changes in assets and liabilities		
(Increase) / decrease in accounts receivable	(48,624)	(12,991)
(Increase) / decrease in other assets	(4,689)	(5,220)
Increase / (decrease) in grants received in advance	(8,598)	77,682
Increase / (decrease) in trade and other payables	3,969	8,751
Increase/ (decrease) in provisions	20,777	10,625
Net cash flows from operating activities	7,722	94,242

COMMITTEE MEMBERS' DELCARATION

For the financial year ended 30 June 2016

In the opinion of the members of the committee of St Kilda Gatehouse Inc:

- (a) St Kilda Gatehouse Inc 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 purpose of complying with the *Associations Incorporation Reform Act 2012* (Vic) and the *Australian Charities and Not-for-profits Commission Act 2012* (Cth);
- (b) the financial statements and notes set out on pages 6 to 19, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of St Kilda Gatehouse Inc's financial position as at 30 June 2016 and of its performance for the financial year ended on that date;
 - (ii) complying with Australian Accounting Standards and other mandatory professional reporting requirements; and
- (c) there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the members of the committee:



.....
MARK WATT



.....
PENELOPE SMITH

St Kilda

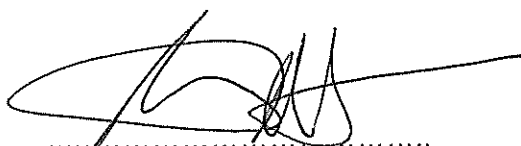
21 November 2016

**ST KILDA GATEHOUSE INCE
CERTIFICATE BY MEMBERS OF THE COMMITTEE**

I, MARK WATT of ST KILDA GATEHOUSE certify that:

- a. I attended the annual general meeting of the St Kilda Gatehouse Inc held on 21 November 2016.
- b. The financial statements for the year ended 30 June 2016 were submitted to the members of committee at its annual general meeting.

Dated this 22 November 2016



.....
MARK WATT (CHAIR)

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ST KILDA GATEHOUSE INCORPORATED**

We have audited the accompanying financial report, being a special purpose financial report, of St Kilda Gatehouse Incorporated, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the committee members' declaration, and the certificate by members of the committee.

Committee members' Responsibility for the Financial Report

Committee members are responsible for the preparation of the financial report, and have 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 *Australian Charities and Not-for-profits Commission Act 2012* (Cth) and is appropriate to meet the needs of the members. Committee members' responsibility also includes such internal control as committee members determine 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 conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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 judgement, 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 committee members, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the financial report of the St Kilda Gatehouse Incorporated is in accordance with the *Associations Incorporation Reform Act 2012* (Vic) and the *Australian Charities and Not-for-profit Commission Act 2012* (Cth), including:

- (i) giving a true and fair view of the corporation's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Associations Incorporation Reform Regulation 2012* (Vic) and the *Australian Charities and Not-for-profit Commission Regulation 2013* (Cth).

Basis of accounting

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 St Kilda Gatehouse Incorporated to meet the requirements of the *Associations Incorporation Reform Act 2012* (Vic) and the *Australian Charities and Not-for-profits Commission Act 2012* (Cth). As a result, the financial report may not be suitable for another purpose



RSM AUSTRALIA PARTNERS



Warwick Spargo
Partner

Melbourne, Victoria
7 December 2016