ST KILDA GATEHOUSE INC
ABN: 76 557 051 941

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

CONTENTS

Committee's Report

The committee members present their financial report on the St Kilda Gatehouse Inc for the financial year ended 30 June 2014.

Committee Members

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

Mark Watts (Chair)	Claire-Anne Willis (Secretary)
Allison Brown	Suhanya Mendes
Felicity Langton	Monique Ten Hoopen
James Burnet	

Principal Activities

St Kilda Gatehouse is a not for profit organisation which works alongside those involved in street sex work, who are often marginalised and have life controlling addictions. 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 2014.

Matters Subsequent to the End of Financial Year

No matters or circumstance have arisen since 30 June 2014 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 2014 financial year amounted to $2,115 (2013: $37,636).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2014 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 WATTS   SALLY TONKIN

St Kilda

30 November 2014

AUDITOR’S INDEPENDENCE DECLARATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2014

	Note	2014	2013
		$	$
Grant and Foundation income		395,543	304,605
Donations		91,996	88,453
Special event income		17,194	33,790
Interest income		6,727	5,923
Other income		6,234	1,499
Total Income		**517,694**	**434,270**
Program expenses		75,621	66,339
Fundraising and promotional expenses		24,363	21,361
Staff expenses		380,082	275,299
Depreciation and amortisation	5, 6	14,359	7,998
Administration expense		14,318	25,637
Total expenditure		**508,743**	**396,634**
Net result from transactions		**8,951**	**37,636**
Other economic flows included in the net results			
Net gain / (loss) on non-financial assets	5	(6,836)	-
Net current year surplus		**2,115**	**37,636**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**2,115**	**37,636**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Note	2014 $	2013 $
Current Assets			
Cash on hand	2	163,881	338,380
Investments	2	100,000	-
Accounts receivable and other debtors	3	7,471	5,510
Inventories	4	5,249	-
Other current assets	4	7,806	6,181
Total Current Assets		**284,407**	**350,071**
Non-Current Assets			
Plant and equipment	5	20,246	19,990
Intangibles	6	8,542	13,347
Total Non-Current Assets		**28,788**	**33,337**
Total Assets		**313,195**	**383,408**
Current Liabilities			
Accounts payable and other payables	7	15,801	15,343
Grants received in advance	8	103,598	185,634
Employee Provisions	9	19,765	11,644
Total Current Liabilities		**139,164**	**212,621**
Non-Current Liabilities			
Employee Provisions	9	9,759	8,630
Total Non-Current Liabilities		**9,759**	**8,630**
Total Liabilities		**148,923**	**221,251**
Net Assets		**164,272**	**162,157**
Equity			
Retained surplus		164,272	162,157
Total Equity		**164,272**	**162,157**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2014

	Retained Surplus $
Balance at 1 July 2012	**124,521**
Profit / (loss) attributed to the entity	37,636
Balance at 30 June 2013	**162,157**
Balance at 1 July 2013	**162,157**
Profit / (loss) attributed to the entity	2,115
Balance at 30 June 2014	**164,272**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2014

	Note	2014	2013
		$	$
Cash Flows from Operating Activities			
Receipts from donations and grants		404,563	484,525
receipts from fundraising events		17,194	33,790
Receipts from other income		12,961	7,422
Payments to suppliers		(118,183)	(132,185)
Payments to employees		(374,388)	(241,759)
Net cash generated from / (used in) operating activities		**(57,853)**	**151,793**
Cash Flows from Investing Activities			
Payment for investment		(100,000)	-
Payment for plant and equipment		(16,646)	(20,480)
Net cash used in investing activities		**(116,646)**	**(20,480)**
Net increase / (decrease)		**(174,499)**	**131,313**
Cash and cash equivalents at the beginning of the financial year		338,380	207,068
Cash and cash equivalents at the end of the financial year		**163,881**	**338,380**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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 1031	- Materiality
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.

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. 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.

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.

b. Inventory

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

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

c. 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:

	2014	**2013**
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.

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.

d. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

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

e. 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.

f. 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.

Financial Liabilities

Non-derivative financial liabilities other that 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

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

g. 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.

h. Employee Provisions

Provisions 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 are those expected to be wholly settled within one year, which have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits that are expected to be settled later than one year are assessed to be Long-term employee benefits, and have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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. Provisions made for annual leave and unconditional long service leave are classified as current liabilities as the employees have a present entitlement to the benefit. Non-current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service who do not yet have a present entitlement.

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

i. 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.

j. Cash on Hand

Cash on hand 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

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

k. 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.

l. 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.

m. 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.

n. 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.*

o. 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.

p. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

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

q. New Accounting Standards for Application in Future Periods

Early adoption of Accounting Standards / Interpretations at the date of this financial report, AASB 9, AASB 10, AASB 11, AASB 12, AASB 13, AASB 127, AASB 128, AASB 1053, AASB 2009-11, AASB 2010-2, AASB 2010-7, AASB 2010-10, AASB 2011-4, AASB 2011-6, AASB 2011-7, AASB 2011-8, AASB 2012-1, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6, AASB 2012-7, AASB 2012-10 and AASB 2012-11 which may impact the entity in the period of initial application, have been issues but are not yet effective. These new Standards and Interpretations have not been applied in the presentation of this financial report. Other than changes to disclosure formats, it is not expected that the initial application of these Standards and Interpretations in the future will have any impact.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2014

Note 2. Cash on Hand

	2014	2013
	$	$
Cash on Hand		
Cash at bank	163,481	338,080
Cash float	400	300
	163,881	338,380
Investments		
Bank deposits	100,000	-
Total cash and investments	**263,881**	**338,380**

Note 3. Accounts Receivable and Other Debtors

CURRENT		
Accounts receivables	940	-
GST Receivables	6,531	5,510
	7,471	**5,510**

Note 4. Other Assets

CURRENT		
Inventory	5,249	-
Rental Bond	7,806	6,181
	13,055	**6,181**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

Note 5. Plant and Equipment

	2014	2013
	$	$
Plant and equipment - at cost	32,861	18,034
less accumulated depreciation	(19,831)	(9,626)
	13,030	**8,408**
Motor vehicles - at cost	17,864	17,864
less accumulated depreciation	(12,286)	(6,282)
	5,578	**11,582**
Leasehold improvement - at cost	1,820	-
less accumulated amortisation	(182)	-
	1,638	**-**
Total plant and equipment	**20,246**	**19,990**

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 2012	**5,754**	**15,102**	**-**	**20,856**
Additions	5,920	-	5,920	11,840
Depreciation and amortisation	(3,266)	(3,520)	-	(6,786)
Balance at 30 June 2013	**8,408**	**11,582**	**-**	**19,990**
Additions	14,826	-	1,820	16,646
Disposals	(3,432)	(3,404)	-	(6,836)
Depreciation and amortisation	(6,772)	(2,600)	(182)	(9,554)
Balance at 30 June 2014	**13,030**	**5,578**	**1,638**	**20,246**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

Note 6. Intangible Assets

	2014	2013
	$	$
Computer software - at cost	14,560	14,560
less accumulated amortisation	(6,018)	(1,213)
	8,542	**13,347**

Note 7. Accounts Payables and Other Payables

Accounts payable	11,230	7,216
Payroll payable	4,571	8,127
	15,801	**15,343**

Note 8. Grants Received in Advance

Repayable government and philanthropic grants	103,598	185,634
	103,598	**185,634**

Note 9. Employee Provisions

CURRENT		
Provisions for annual leave	12,478	6,695
Provisions for long service leave - unconditional	7,287	4,949
	19,765	**11,644**
NON-CURRENT		
Provisions for long service leave - conditional	9,759	8,630
	9,759	**8,630**
Total employee provisions	**29,524**	**20,274**

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2014

Note 10. Reconciliation of cash flows from operations with net current year surplus

	2014	2013
	$	$
Net Current Year Surplus	2,115	37,636
Non-cash flows in profit		
Depreciation and amortisation	14,359	7,998
(Gain) / loss on disposal of plant and equipment	6,836	-
Changes in assets and liabilities		
(Increase) / decrease in accounts receivable	(1,961)	(3,523)
(Increase) / decrease in other assets	(6,874)	-
Increase / (decrease) in grants received in advance	(82,036)	91,467
Increase / (decrease) in trade and other payables	458	(2,059)
Increase/ (decrease) in provisions	9,250	20,274
Net cash flows from operating activities	**(57,853)**	**151,793**

COMMITTEE MEMBERS' DELCARATION

For the financial year ended 30 June 2014

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

(a) 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 2014 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

(b) there are reasonable grounds to believe that the company 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 WATTS	SALLY TONKIN

St Kilda

30 November 2014

ST KILDA GATEHOUSE INC

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Mark Watts, Committee member of St Kilda Gatehouse, certify that:

a. I attended the annual general meeting of the St Kilda Gatehouse Inc held on 30 November 2014.

b. The financial statements for the year ended 30 June 2014 were submitted to the members of committee at its annual general meeting.

Dated this 30 November 2014

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MARK WATTS (Committee Member)