

Working It Out Inc

Financial Report

For the Year Ended 30 June 2018

Working It Out Inc

For the Year Ended 30 June 2018

CONTENTS

	Page
Financial Report	
Board Report	1
Board Declaration	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Cash Flows	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7
Auditors' Independence Declaration	16
Independent Audit Report	17

Working It Out Inc

Board Report

30 June 2018

Your Board members submit the financial report of the Association for the financial year ended 30 June 2018.

1. General information

Principal activities

The principal activities of the Association during the financial year were:

- Support and education service for Lesbian, Gay, Bisexual, Transgender Tasmanians and Tasmanians with Intersex characteristics.

Significant changes

No significant change in the nature of these activities occurred during the year.

2. Operating results and review of operations for the year

Operating result

The net surplus/(deficit) of the Association for the financial year amounted to \$ (16,955) (2017: \$ 19,253).

Signed in accordance with a resolution of the Members of the Board:

Board Member: 

Board Member: 

Dated this 5th day of SEPTEMBER 2018.

Working It Out Inc

Board Declaration - per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

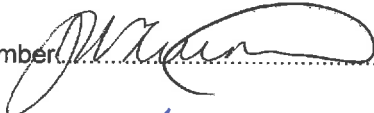
The Board has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Board declare that in the Boards' opinion:

- there are reasonable grounds to believe that Working It Out Inc is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Signed in accordance with a resolution of the Board:

Board Member: 

Board Member: 

Dated this 5th day of SEPTEMBER 2018.

Working It Out Inc

Statement of Comprehensive Income

For the Year Ended 30 June 2018

		2018	2017
		\$	\$
	Note		
Income			
Grant funding	3	534,985	551,279
Other income	4	28,962	26,511
Total Income		<u>563,947</u>	<u>577,790</u>
Less: Expenses			
Accountancy and audit fees	5	4,720	4,765
Employee expenses	6	466,339	463,511
Motor vehicle expenses	7	2,527	4,424
Other operating expenses	8	107,316	85,837
Total Expenses		<u>580,902</u>	<u>558,537</u>
Net surplus/(deficit) for the year		<u>(16,955)</u>	<u>19,253</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>(16,955)</u>	<u>19,253</u>

The accompanying notes form part of these financial statements.

Working It Out Inc

Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	261,083	274,690
Trade and other receivables		6,178	56,583
Prepayments		843	690
TOTAL CURRENT ASSETS		<u>268,104</u>	<u>331,963</u>
NON-CURRENT ASSETS			
Plant and equipment	10	13,864	12,108
TOTAL NON-CURRENT ASSETS		<u>13,864</u>	<u>12,108</u>
TOTAL ASSETS		<u>281,968</u>	<u>344,071</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	24,980	31,418
Unexpended grant funds		60,354	116,900
Employee benefits	12	97,270	79,434
TOTAL CURRENT LIABILITIES		<u>182,604</u>	<u>227,752</u>
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>182,604</u>	<u>227,752</u>
NET ASSETS		<u>99,364</u>	<u>116,319</u>
EQUITY			
Accumulated surpluses		99,364	116,319
TOTAL EQUITY		<u>99,364</u>	<u>116,319</u>

The accompanying notes form part of these financial statements.

Working It Out Inc

Statement of Cash Flows

For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	40,668	685,767
Receipts from government	524,487	-
Interest received	1,787	-
Other receipts	47,485	-
Payments to suppliers and employees	(623,516)	(642,572)
Net cash provided by/(used in) operating activities	13(b) <u>(9,089)</u>	<u>43,195</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(4,518)</u>	<u>(3,423)</u>
Net cash used by investing activities	<u>(4,518)</u>	<u>(3,423)</u>
Net increase/(decrease) in cash and cash equivalents held	(13,607)	39,772
Cash and cash equivalents at beginning of year	<u>274,690</u>	<u>234,918</u>
Cash and cash equivalents at end of financial year	13(a) <u><u>261,083</u></u>	<u><u>274,690</u></u>

The accompanying notes form part of these financial statements.

Working It Out Inc

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2017	116,319	116,319
Net surplus/(deficit) for the year	(16,955)	(16,955)
Balance at 30 June 2018	<u>99,364</u>	<u>99,364</u>

2017

	Accumulated Surpluses	Total
	\$	\$
Balance at 1 July 2016	97,066	97,066
Net surplus/(deficit) for the year	19,253	19,253
Balance at 30 June 2017	<u>116,319</u>	<u>116,319</u>

The accompanying notes form part of these financial statements.

Working It Out Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers Working It Out Inc as an individual entity incorporated in Tasmania.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*. The Board has determined that the Association is not a reporting entity. The Association is a not-for-profit entity for financial reporting purposes.

The financial statements have been prepared in accordance with the minimum requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and therefore comply with the following Australian Accounting Standards as issued by the Australian Accounting Standards Board:

- 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; and
- AASB 1054 Australian Additional Disclosures.

No other Accounting Standards have been intentionally applied in the compilation of this financial report.

The financial report financial statements, except for the cash flow information, have been prepared on an accruals basis, 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. The amounts presented within the financial statements have been rounded to the nearest dollar.

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

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments.

(c) Trade and other receivables

The Association provides an allowance for impairment on trade receivables based on current recoverability of amounts owed.

(d) Property, plant and equipment

Furniture and equipment are carried at cost less, where applicable, any accumulated depreciation.

Working It Out Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(d) Property, plant and equipment

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

(e) Trade 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 recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(f) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

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

(g) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Income tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(i) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that 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 that period.

Working It Out Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(i) Leases

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(j) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(k) Revenue and other income

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Working It Out Inc's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Grant income is recognised when expenses in accordance with the terms of the funding agreement.

Interest revenue is recognised over the period for which the funds were invested.

Dividend revenue is recognised when the right to receive a dividend has been established.

Donation revenue is recognised when the Association obtains control over the funds which is generally at the time of receipt.

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

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Working It Out Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(m) Economic dependence

Working It Out Inc is dependent on the ongoing support of the Department of Health and Human Services for the majority of its revenue used to operate the business. At the date of this report the Board Members have no reason to believe the Department of Health and Human Services will not continue to support Working It Out Inc.

2 Critical Accounting Estimates and Judgments

The Board members evaluate estimates and judgements 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, however as additional information is known then the actual results may differ from the estimates.

3 Grant Funding

	2018	2017
	\$	\$
DHHS	402,556	350,355
Other Grants	132,429	200,924
	<u>534,985</u>	<u>551,279</u>

4 Other Income

	2018	2017
	\$	\$
Bank Interest	1,788	2,276
Donations	9,089	1,467
Fundraising	690	1,553
IDAHO Fundraiser	8,751	6,627
Miscellaneous Income	909	-
Training Income	5,147	13,650
WIO Membership Fees	2,588	938
	<u>28,962</u>	<u>26,511</u>

Working It Out Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

5 Accountancy and Audit Fees

	2018	2017
	\$	\$
Audit Fees	4,720	4,765

6 Employee Expenses

	2018	2017
	\$	\$
Annual Leave Provision	7,174	(7,449)
Long Service Leave Provision	10,662	4,777
Superannuation	37,113	37,608
Training and Development	1,670	6,038
Wages and Salaries	396,982	409,173
Workers' Compensation	12,738	13,364
	<u>466,339</u>	<u>463,511</u>

7 Motor Vehicle Expenses

	2018	2017
	\$	\$
Fuel	1,343	2,189
Registration and Insurance	757	1,085
Repairs and Maintenance	427	1,150
	<u>2,527</u>	<u>4,424</u>

8 Other Operating Expenses

	2018	2017
	\$	\$
Accommodation	-	3,190
Accreditation Fees	-	2,603
Advertising	1,815	1,319
Bank Fees	1,179	491
Board Expenses	96	614
Catering	6,166	809
Cleaning	476	796
Client Support	156	785
Depreciation	2,762	4,344
Electricity	2,614	2,283
Fundraising Expenses	-	5,740
Furniture & equipment < \$1000	970	-
Gas	288	398
Gifts	124	77

Working It Out Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

8 Other Operating Expenses

	2018	2017
	\$	\$
Honorariums	502	250
Insurance	10,266	831
Internet	1,152	1,127
IT Support and Maintenance	3,238	753
Land Tax	957	903
Library books and DVDs	103	269
Meal Allowance	3,904	3,613
Memberships and Subscriptions	3,110	2,526
Misc Expenses	-	(3,620)
Online Services	4,016	1,807
Postage	38	365
Printing and Stationery	1,551	3,229
Professional Development	8,738	913
Promotional Materials	239	285
Rent	31,367	29,449
Repairs and Maintenance	311	832
Safe Work Environment	2,560	195
Security	911	670
Staff Amenities	727	322
Telephone	5,561	7,190
Training Resources	-	(85)
Travel	5,832	6,448
Travel Allowance (km)	47	987
Venue Hire	3,049	969
Water Rates	2,491	2,160
	<u>107,316</u>	<u>85,837</u>

9 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank	261,083	33,065
Short-term bank deposits	-	241,625
	<u>261,083</u>	<u>274,690</u>

Working It Out Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

10 Plant and Equipment

	2018	2017
	\$	\$
Furniture and equipment		
At cost	23,296	18,778
Accumulated depreciation	(13,908)	(12,638)
Total furniture and equipment	<u>9,388</u>	<u>6,140</u>
Motor vehicles		
At cost	18,843	18,843
Accumulated depreciation	(14,367)	(12,875)
Total motor vehicles	<u>4,476</u>	<u>5,968</u>
Total property, plant and equipment	<u>13,864</u>	<u>12,108</u>

11 Trade and Other Payables

	2018	2017
	\$	\$
GST payable	6,432	19,613
PAYG payable	5,944	4,431
Superannuation payable	-	2,950
Trade payables	12,604	4,424
	<u>24,980</u>	<u>31,418</u>

12 Employee Benefits

	2018	2017
	\$	\$
CURRENT		
Provision for annual leave	66,631	59,457
Provision long service leave	30,639	19,977
	<u>97,270</u>	<u>79,434</u>

Working It Out Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

13 Cash Flow Information

(a) Reconciliation of cash

	2018	2017
	\$	\$
Cash at the end of the financial year as shown in the is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	261,083	274,690

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Surplus/(deficit) for the year	(16,955)	19,253
Non-cash flows in surplus/(deficit)		
- depreciation	2,762	4,345
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	50,405	49,341
- (increase)/decrease in prepayments	(153)	14,101
- increase/(decrease) in trade and other payables	(6,438)	(8,687)
- increase/(decrease) in employee benefits	17,836	(2,672)
- increase/(decrease) in unexpended grant funds	(56,546)	(32,486)
Cashflow from operations	(9,089)	43,195

14 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor of the association, Crowe Horwath Tasmania, for:		
- auditing the financial report, assistance with the compilation of the financial report and grant acquittal audit	4,875	4,720
	4,875	4,720

Working It Out Inc

Notes to the Financial Statements

For the Year Ended 30 June 2018

15 Capital and Leasing Commitments

(a) Finance lease commitments

There are no finance lease commitments as at reporting date to be disclosed.

(b) Operating lease commitments

There are no operating lease commitments as at reporting date to be disclosed.

	2018	2017
	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	20,167	22,000
- between 1 year and 5 years	-	20,167
	<u>20,167</u>	<u>42,167</u>

There are no other operating lease commitments as at reporting date to be disclosed.

(c) Capital expenditure commitments

There are no capital expenditure commitments as at reporting date to be disclosed.

16 Contingent Liabilities and Contingent Assets

Under the funding agreement with the Department of Health and Human Services, in the event of cessation of the funded service, unexpended funds held at the date of cessation are repayable to the Department. Given the continuity of the services and the probability of repayment any potential future liability can not be reliably determined at this time. Any unspent grant funds relating to current funding agreements are separately recognised as a liability.

There are no other contingent liabilities or contingent assets as at reporting date to be disclosed.

17 Events after the end of the Reporting Period

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.

18 Association Details

The registered office of the Association is:

Working It Out Inc

278 Argyle Street

NORTH HOBART TAS 7000

Working It Out Inc

Auditors' Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (Cth)

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

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


Crowe Horwath Tasmania


Alison Flakemore
Senior Partner

Dated this 20th day of August 2018.

Hobart, Tasmania.

Working It Out Inc

Independent Audit Report to the members of Working It Out Inc Opinion

We have audited the financial report of Working It Out Inc (the Association), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the boards' declaration.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, including:

- giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to 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 statements, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Board are responsible for the other information. The other information comprises the Board's Report the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Working It Out Inc

Independent Audit Report to the members of Working It Out Inc

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

The Board are responsible for overseeing the Association'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 the 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 this 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

Working It Out Inc

Independent Audit Report to the members of Working It Out Inc

- Conclude on the appropriateness of the Boards' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If 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 Association 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 the Board 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 the audit.


Crowe Horwath Tasmania


Alison Flakemore
Senior Partner

Dated this 14th day of September 2018.

Hobart, Tasmania.