

BOARD OF MANAGEMENT REPORT

Your Board of management submits the financial report of Woden Community Service for the financial year ended on 30 June 2016.

BOARD OF MANAGEMENT

The names of the board of management throughout the year and at the date of this report are:

Jennifer Bennett
Chair

Lora Shaw
Deputy Chair

Marie Luise Persson
Deputy Secretary

Chandalala Mambwe
Secretary/Public Officer

Anita Phillips
General Member

Chris Flaherty
General Member

Bhavana Kaul
General Member

PRINCIPAL ACTIVITIES

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

To encourage and develop a coordinated range of community based services of a benevolent nature and to utilise the resources of the community to meet the needs of others.

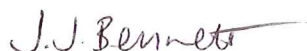
SIGNIFICANT CHANGES

There are no significant changes that have taken place during this financial year.

OPERATING RESULT

The surplus from the ordinary activities amounted to \$161,183 (2015: \$107,634).

Signed in accordance with a resolution of the members of the Board.



Jennifer Bennett - Chair



Lora Shaw – Deputy Chair

Dated this 13th day of October 2016

BOARD OF MANAGEMENT'S DECLARATION

The Board members declare that:

- a. In the Board members' opinion, there are reasonable grounds to believe that the association will be able to pay its debts and when they become due and payable.
- b. In the Board members' opinion, the attached financial statements and notes thereto are in accordance with the Associations Incorporations Act (ACT) 1991 and the Australian Charities and Non-for-Profit Commission ACT 2012 including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2016 and performance of the organisation for the year ended on that date.

Signed in accordance with a resolution of the Board members.

On behalf of the Board members:



Jennifer Bennett - Chair



Lora Shaw – Deputy Chair

Dated this 13th day of October 2016

Woden Community Service Inc.
Financial Report for the Year Ended 30 June 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	3	15,606,918	14,045,463
Employee benefits expense		(12,141,866)	(10,384,496)
Depreciation and amortisation expense	4	(184,679)	(198,452)
Other expenses	4	(3,119,190)	(3,354,881)
Current year surplus before income tax		161,183	107,634
Income tax expense		-	-
Net current year surplus		161,183	107,634
Other comprehensive income after income tax:			
Net (loss)/gain on revaluation of financial assets		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		161,183	107,634

The accompanying notes form part of this financial report

Woden Community Service Inc.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	NOTE	2016 \$	2015 \$
ASSETS			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	5	1,503,691	2,081,270
Investments	5	3,165,650	2,601,647
Receivables	6	423,822	236,057
Other assets	7	100,040	155,034
TOTAL CURRENT ASSETS		5,193,203	5,074,008
<u>NON CURRENT ASSETS</u>			
Property, Plant, Equipment and Vehicles	8	418,569	698,118
TOTAL NON-CURRENT ASSETS		418,569	698,118
TOTAL ASSETS		5,611,772	5,772,126
LIABILITIES			
<u>CURRENT LIABILITIES</u>			
Payables	9	1,507,471	1,606,609
Other Payables	9	697,830	799,782
Provisions	10	156,931	277,378
TOTAL CURRENT LIABILITIES		2,362,232	2,683,769
<u>NON CURRENT LIABILITIES</u>			
Provisions	10	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		2,362,232	2,683,769
NET ASSETS		3,249,540	3,088,357
<u>EQUITY</u>			
Retained Surplus		3,132,872	2,971,689
Reserve		116,668	116,668
TOTAL EQUITY		3,249,540	3,088,357

The accompanying notes form part of this financial report

Woden Community Service Inc.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Note	Retained Earnings \$	General Reserve \$	Total Equity \$
Balance at 1 July 2014		<u>2,864,055</u>	<u>116,668</u>	<u>2,980,723</u>
Comprehensive income				
Net Surplus/(Deficit) for the year		107,634	-	107,634
Other comprehensive income for the year		-	-	-
Total comprehensive income		<u>107,634</u>	<u>-</u>	<u>107,634</u>
Balance at 30 June 2015		<u><u>2,971,689</u></u>	<u><u>116,668</u></u>	<u><u>3,088,357</u></u>
 Balance as at 1 July 2015		 <u><u>2,971,689</u></u>	 <u><u>116,668</u></u>	 <u><u>3,088,357</u></u>
Comprehensive income				
Net Surplus/(Deficit) for the year		161,183	-	161,183
Other comprehensive income for the year		-	-	-
Total comprehensive income		<u>161,183</u>	<u>-</u>	<u>161,183</u>
Balance at 30 June 2016		<u><u>3,132,872</u></u>	<u><u>116,668</u></u>	<u><u>3,249,540</u></u>

The accompanying notes form part of this financial report

Woden Community Service Inc.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Fees		7,956,679	6,509,435
Receipts from Other Services		1,274,681	1,201,260
Payments to Suppliers and Employees		(15,423,469)	(13,654,053)
Interest Received		126,732	142,942
Operating Grants Receipts		5,941,554	6,263,174
Net Cash Provided from Operating Activities	16b	(123,823)	462,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets purchases		(142,715)	(93,253)
Proceeds from sale of fixed assets		255,140	-
Purchase long term deposit		(566,181)	(93,067)
Net Cash Used in Investing Activities		(453,756)	(186,320)
Net Increase in Cash Held		(577,579)	276,438
Cash Held at Beginning of the Financial year		2,081,270	1,804,831
Cash Held at the End of the Financial year	16a	1,503,691	2,081,269

The accompanying notes form part of this financial report.

Woden Community Service Inc.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act (ACT) 1991 and the Australian Charities and Not-for-Profits Commission Act 2012. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax is made against any surpluses as Woden Community Service Inc. is exempt from tax under subdivision 50-5 of the Income Tax Assessment Act, 1997.

(b) Property, Plant and Equipment

Each class of the property, motor vehicles and equipment is carried at cost or fair market value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets, including building improvements and capitalised leased assets, is depreciated on a straight line basis over the asset's useful life 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.

Estimated useful life for each class of depreciable assets is:

Building Improvement	10 Years
Equipments	5 Years
Motor Vehicles- Vans & Buses	5 Years
Motor Vehicles- Cars	3 Years
Computer Equipment	3 Years

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 proceeds with the carrying amount. These gains and losses are included in the income statement.

Woden Community Service Inc.**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Contd...****(c) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(d) 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 Woden Community Service Inc. are classified as finance leases.

Finance leases are capitalized by recording an asset and liability at the lower of the amount 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 period. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that Woden Community Service Inc. will obtain ownership of the asset or ownership over the term of the lease.

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

(e) Financial Instruments*Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Woden Community Service Inc.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Contd...

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby Woden Community Service Inc. no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in comprehensive income statement.

Classification and Subsequent Measurement

I. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from the changes in fair value are included in profit or loss in the period in which they arise.

II. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

III. 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 Woden Community Service Inc.'s intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

IV. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

V. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

VI. Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

VII. Impairment

At each reporting date, the entity assesses whether there is any objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Comprehensive Income Statement.

Woden Community Service Inc.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Contd...

(f) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(g) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on accruals basis taking into account the interest rates applicable to the financial assets.

Grant income is recognised only when it is attributable to the current financial year. Grant income relating to periods beyond the current financial year is shown in the balance sheet as Grants received in advance under the heading of payables.

Interest revenue is recognised using the effective interest rate method.

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

(h) Goods and Service 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 balance sheet are shown inclusive of GST.

(i) Impairment of Assets

At each reporting date, the Organisation reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(j) Critical Accounting Estimates

The Organisation evaluates 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 organisation. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

(k) Comparative Figures

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

Woden Community Service Inc.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Contd...

(I) New, revised or amending Accounting Standards and Interpretations adopted

The organisation has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are made 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

The following Accounting Standards and Interpretations are most relevant to the incorporated association:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The incorporated association has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
The incorporated association has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
The incorporated association has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination

Woden Community Service Inc.**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 2	KEY MANAGEMENT PERSONNEL COMPENSATION	2016	2015
		\$	\$
	The aggregate compensation of key management personnel of the Association is set out below:		
	Short Term Benefits	458,206	519,031
	Post Employment Benefits	43,530	49,308
		501,736	568,339
NOTE 3	REVENUE		
	Operating Activities		
	Fees	7,254,163	6,292,847
	Operating Grants	6,043,506	6,128,060
	NDIS Income	890,281	280,354
	Other Operating Revenue	1,292,236	1,201,260
	Total revenue from operating activities	15,480,186	13,902,521
	Non-operating activities		
	Interest received	126,732	142,942
	Total revenue from non-operating activities	126,732	142,942
	Total revenue	15,606,918	14,045,463
NOTE 4	SURPLUS		
	Surplus before income tax expense has been determined after:		
	Depreciation of property, plant and equipment	184,679	198,452
	Remuneration of auditor		
	-Audit or review services	20,500	18,500
	Rental expense on operating leases		
	minimum lease payments	229,707	209,764
NOTE 5	CASH ASSETS		
	Cash at Bank	1,503,691	2,081,270
		1,503,691	2,081,270
	Investments:		
	Term Deposit for 12 months- Maturity date 04 Apr 2017 @ 3.10% pa	1,502,672	1,455,954
	Term Deposit for 12 months- Maturity date 18 Apr 2017 @ 3.10%pa	500,000	-
	Term Deposit for 12 months- Maturity date 20 Jun 2016 @ 2.65%pa	-	16,586
	Term Deposit for 12 months- Maturity date 09 Sep 2016 @ 2.70%pa	10,795	10,795
	Term Deposit for 12 months- Maturity date 2 April 2017 @3.00%pa	1,152,183	1,118,312
		3,165,650	2,601,647
	Total	4,669,341	4,682,917

Woden Community Service Inc.

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

		2016	2015
		\$	\$
NOTE 6	RECEIVABLES		
	Sundry Debtors	456,754	261,562
	Accrued Income	5,153	37,767
	Provision for Impairment of Receivables	(38,085)	(63,272)
	Total	423,822	236,057
NOTE 7	OTHER CURRENT ASSETS		
	Prepayments	77,408	134,580
	Accrued interest on term deposits	22,632	20,454
	Total	100,040	155,034
NOTE 8	PROPERTY, PLANT AND EQUIPMENT		
	Hire Purchase/ Capitalised leased assets	135,887	135,887
	Less: Accumulated Depreciation	(117,063)	(105,297)
		18,824	30,590
	Vehicles - at cost	221,836	697,180
	Less: Accumulated Depreciation	(108,291)	(284,760)
		113,545	412,420
	Equipment - at cost	750,710	697,675
	Less: Accumulated Depreciation	(600,412)	(522,516)
		150,298	175,159
	Building Improvement	265,620	175,940
	Less: Accumulated Depreciation	(129,718)	(95,991)
		135,902	79,949
	Total property, plant equipment & vehicles	418,569	698,118

Woden Community Service Inc.

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

NOTE 8 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Movement in the carrying amounts for each class of property equipment, Building, vehicles and Leased Assets between the beginning and the end of the current financial year

	Hire Pur/Cap. Leased Assets	Vehicles	Equipment
Balance at the beginning of year	30,590	412,419	175,160
Additions	-	-	53,035
Depreciation Expense	(11,766)	(61,290)	(77,896)
Disposals	-	(237,585)	-
Carrying amount at the end of year	<u>18,824</u>	<u>113,544</u>	<u>150,299</u>

	Bldg. Improvement	Total
Balance at the beginning of year	79,949	698,118
Additions	89,680	142,715
Depreciation Expense	(33,727)	(184,679)
Disposals	-	(237,585)
Carrying amount at the end of year	<u>135,902</u>	<u>418,569</u>

NOTE 9 PAYABLES

	2016 \$	2015 \$
Trade creditors and accruals	<u>1,507,471</u>	<u>1,606,609</u>
	1,507,471	1,606,609
Other Payables:		
Grants received in advance	99,331	94,340
Unexpended Income	<u>598,499</u>	<u>705,442</u>
	697,830	799,782
Total	<u>2,205,301</u>	<u>2,406,391</u>

Woden Community Service Inc.

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

NOTE 10	PROVISIONS	2016	2015
		\$	\$
	CURRENT		
	Employee entitlements	156,931	277,378
	NON-CURRENT		
	Employee entitlements	-	-
	Total	156,931	277,378

NOTE 11 CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Non-cancellable operating leases
concentrated for but not capitalised
in the financial statements:
Being for rent of office space and
Community services premises payable:

- not later than 12 months	180,098	84,535
- between 12 months and five years	273,726	95,279
	453,824	179,814

NOTE 12 SEGMENT REPORTING

Woden Community Service Inc. operates in the community service sector within Australia.

NOTE 13 ASSOCIATION DETAILS

The principal place of business of the association is 26 Corrina Street, Woden ACT 2606.

NOTE 14 EVENTS AFTER THE BALANCE SHEET DATE

No events, that affect the financial position of the organisation, have occurred between the Balance Sheet Date and signing of the report.

Woden Community Service Inc.

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

NOTE 15 RELATED PARTY DISCLOSURE

During the year ended 30 June 2016 Woden Community Service Inc. did not enter into any contract with any persons who are related/associated to the director or any board members of the organisation.

	2016 \$	2015 \$
NOTE 16 CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at Bank	1,503,691	2,081,270
b. Reconciliation of net cash provided by operating activities to operating surplus		
Operating Surplus	161,183	107,634
Non-cash flows in surplus:		
Add back (profit)/ loss on asset sale	(17,555)	-
Add back depreciation charge	184,679	198,452
Changes in assets and liabilities		
Increase/(Decrease) in Grants in Advance	(101,952)	177,548
Increase/(Decrease) in Provisions	(120,447)	(33,183)
(Increase)/ Decrease in Prepayments	57,172	72,572
Increase/ (Decrease) in Creditors	(99,138)	3,501
(Increase)/Decrease in receivables	(187,765)	(63,766)
b. Net cash provided by operating activities	<u>(123,823)</u>	<u>462,758</u>

NOTE 17 ECONOMIC DEPENDENCY

A significant volume of Woden Community Service Inc. revenue is obtained through Government Grants. The Organisation is dependent on this funding for its continued financial viability as currently structured, however, in the event of the Government Grant ceasing Woden Community Service Inc. has the ability to be restructured and continue to be financially viable.

Woden Community Service Inc.

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

NOTE 18

FAIR VALUE MEASUREMENTS

The organisation does not subsequently measure any assets or liabilities at fair value on a recurring basis after initial recognition.

NOTE 19

FINANCIAL INSTRUMENTS

a. Financial Risk Management Policies

The financial instruments consists mainly of deposits with banks, accounts receivable and accounts payable. The Organisation does not have any derivative instruments as at 30 June 2016.

i. Treasury Risk Management

The Board members meet on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risk Exposures and Management

The main risks the board is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Foreign Currency Risk

The board is not exposed to fluctuations in foreign currencies.

Liquidity risk

The board manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance sheet date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The board does not have any single receivable or group of receivables under financial instruments entered into by the board.

There are no material amounts of collateral held as security at 30 June 2016.

Credit risk is managed by the board and reviewed regularly by the Board members. It arises from exposures to customers as well as through deposits with financial institutions.

The board monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

Only banks and financial institutions with an "A" rating are utilised.

The credit standing of counterparties is reviewed monthly for liquidity and credit risk. The trade receivables balances at 30 June 2016 and 30 June 2015 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Price risk

The organisation is not exposed to any material commodity price risk.

b. Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such the amounts may not reconcile to the balance sheet.

Woden Community Service Inc.
Note 19: Financial Instruments (cont'd)

	<u>Weighted Average</u> <u>Effective Interest</u> <u>Rate</u>		<u>Floating Interest</u> <u>Rate</u>		<u>Fixed Interest Rate Maturing</u> <u>Within one</u> <u>Year</u> <u>From 1 to 5</u> <u>Years</u>				<u>Non - Interest</u> <u>Bearing</u>		<u>Total</u>	
	2016 %	2015 %	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
FINANCIAL ASSETS												
Cash and Cash equivalents	0.00%	3.11%	1,281,165	1,678,169	3,188,282	2,622,102	-	-	222,526	403,100	4,691,973	4,703,371
Trade and Other Receivables			-	-	-	-	-	-	501,230	370,637	501,230	370,637
TOTAL FINANCIAL ASSETS			<u>1,281,165</u>	<u>1,678,169</u>	<u>3,188,282</u>	<u>2,622,102</u>	<u>-</u>	<u>-</u>	<u>723,756</u>	<u>773,737</u>	<u>5,193,204</u>	<u>5,074,008</u>
FINANCIAL LIABILITIES												
Hire Purchase			-	-	-	-	-	-	-	-	-	-
Trade and Other Payables			-	-	-	-	-	-	1,507,471	1,606,609	1,507,471	1,606,609
LIABILITIES			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,507,471</u>	<u>1,606,609</u>	<u>1,507,471</u>	<u>1,606,609</u>

Trade and sundry payables are expected to be paid as follows:

Trade Payables	2016	2015
Less than 6 months	\$	\$
	1,507,471	1,606,609
Total trade and sundry payables	<u>1,507,471</u>	<u>1,606,609</u>

Woden Community Service Inc.

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

Note 19: Financial Instruments (cont'd)

c. Fair value of financial instruments

Except as detailed in the following table, the board members consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

d. Sensitivity Analysis

Interest rate risk

The organisation has performed a sensitivity analysis relating to its exposure to interest rate risk at balance sheet date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2016, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2016 \$	2015 \$
Change in Profit		
- Increase in interest rate by 1%	44,694	43,003
- Decrease in interest rate by 1%	(44,694)	(43,003)
Change in equity		
- Increase in interest rate by 1%	44,694	43,003
- Decrease in interest rate by 1%	(44,694)	(43,003)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed for foreign exchange risk, as the entity is not exposed to fluctuations in foreign exchange.

Woden Community Service Inc.**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016****Note 20: New standards and interpretations issued but not yet effective as on 30 June 2016**

At the date of this financial report the following standards and interpretations, which may impact the entity in the period of initial application, have been issued but are not yet effective:

Reference	Title	Summary	Application date (financial years beginning)	Expected Impact
AASB 2014-4	<i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	1-Jan-16	No expected impact
AASB 2015-1	<i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i>	The Standard makes amendments to various Australian Accounting Standards arising from the IASB's Annual Improvements process, and editorial corrections.	1-Jan-16	Minimal Impact Expected
AASB 2015-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i>	The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project.	1-Jan-16	Disclosures Only
AASB 15	<i>Revenue from Contracts with Customers</i>	This Standard establishes principles (including disclosure requirements) for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	1-Jan-17	Minimal Impact Expected
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Consequential amendments arising from the issuance of AASB 15.	1-Jan-17	Minimal Impact Expected
AASB 9	<i>Financial Instruments</i>	This Standard supersedes both AASB 9 (December 2010) and AASB 9 (December 2009) when applied. It introduces a "fair value through other comprehensive income" category for debt instruments, contains requirements for impairment of financial assets, etc.	1-Jan-18	Minimal Impact Expected
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	Consequential amendments arising from the issuance of AASB 9	1-Jan-18	Minimal Impact Expected
AASB 16	<i>Leases</i>	This Standard replaces AASB 117. All leases are classified as 'right of use', which will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term.	1-Jan-19	Minimal Impact Expected

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
WODEN COMMUNITY SERVICES INCORPORATED

We have audited the accompanying financial report of Woden Community Services Incorporated, which comprises the statement of financial position as at 30 June 2016, the statement of 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, and the statement by the Board of Management.

Board's Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Associations Incorporation Act (ACT) 1991* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Board members determine is necessary to enable the preparation of the 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements 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 management, 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.

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Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Woden Community Services Incorporated as at 30 June 2016 and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and *Associations Incorporation Act (ACT) 1991* and the *Australian Charities and Not-for-profits Commission Act 2012*.

RSM Australia Pty Ltd



Canberra, Australian Capital Territory
Dated: 13 October 2016

Rodney Miller
Director

RSM Australia Pty Ltd

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Woden Community Services 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.

RSM Australia Pty Ltd



Rodney Miller
Director

Canberra, Australian Capital Territory
Dated: 13th October 2016

Woden Community Service Inc.

INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

Particulars	2016	2015
Income	\$	\$
Operating Activities:		
Grants Received	6,043,506	6,128,060
Fees	7,254,163	6,292,847
NDIS	890,281	280,354
Other Operating Income	1,292,236	1,201,260
Non-Operating Activities:		
Interest Received	126,732	142,942
TOTAL INCOME	15,606,918	14,045,463
EXPENDITURE		
Personnel Costs	12,141,866	10,384,496
Depreciation and Amortisation	184,679	198,452
Other Operating Costs	3,119,190	3,354,881
TOTAL EXPENDITURE	15,445,735	13,937,829
NET SURPLUS/ (DEFICIT) BEFORE INCOME TAX	161,183	107,634
Income Tax Expense	-	-
NET SURPLUS/ (DEFICIT) AFTER INCOME TAX	161,183	107,634
RETAINED SURPLUS AT THE BEGINNING OF THE FINANCIAL YEAR	2,761,245	2,653,611
TRANSFERRED TO GENERAL RESERVE	-	-
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR	2,922,428	2,761,245

The accompanying notes form part of this financial report

Woden Community Service Inc.

**Annexure forming part of Income & Expenditure Statement for the year
ended June 30, 2016**

Particulars	2016	2015
	\$	\$
Other Operating Income:		
Brokerage Income	8,976	22,368
Café Sale	2,736	3,505
Magazine Sale	45,491	40,153
Donations & Fund Raising	1,701	1,136
Mobility Allowance	18,527	36,856
Profit/ (Loss) on sale of assets	17,555	-
Voluntary Clients' Contributions	76,238	113,451
Other Income	154,478	803,522
Workers Compensation Wages	85,276	150,202
Sundry Income	55,020	7,943
Government Incentive Payments	5,500	15,250
Building Hire	2,947	6,874
ACT Long Service Leave Claim	35,943	-
Other Funding & Consortium	719,850	-
ERO Funding	24,079	-
Surplus/(Deficit) Unexpended Income	37,919	-
Total Other Operating Income	<u>1,292,236</u>	<u>1,201,260</u>

Particulars	2016	2015
	\$	\$
Personnel Costs:		
Wages & Salaries	8,332,777	7,081,813
Fringe Benefits	1,650,246	1,572,634
Allowances	330,139	295,190
Superannuation Guarantee Expenses	927,940	800,748
Annual Leave Provision	74,582	118,483
Long Service Leave Wages	58,292	-
Long Service Leave Provision	(120,447)	(33,183)
Long Service Leave Levy	156,594	140,858
Annual Leave Loading	103,105	88,140
Workers Compensation Insurance	430,453	319,813
Redundancy	198,185	-
Total Personnel Costs	<u>12,141,866</u>	<u>10,384,496</u>

Woden Community Service Inc.**Annexure forming part of Income & Expenditure Statement for the year
ended June 30, 2016
(Continued)**

Particulars	2016	2015
Other Operating Costs:	\$	\$
Advertisement & Publicity	39,513	20,873
Audit Fees	20,500	15,200
Doubtful Debt Provision	(25,187)	17,620
Bank Charges	23,592	18,729
Cleaning & Maintenance	216,555	190,941
Big Issue Magazine	58,555	60,460
Computer Costs	99,608	42,599
Consumables	10,964	7,812
Debt Collection Expenses	3,797	3,156
Donations	2,100	2,082
Electricity & Gas	39,837	64,783
Equipment, Furniture & Books	12,839	1,518
Excursions	54,681	34,586
Fees for Services	539,760	696,697
Food Expenses	182,397	135,693
Craft & Teaching Eqp. Expenses	39,346	25,864
Insurance General	85,730	74,887
Equipment	31,814	18,528
Membership Fees	5,975	14,469
Rent/ Hire	11,551	12,627
Premises Rent Charge Out	229,707	209,764
Security	6,439	2,531
Postage & Stationery	73,484	71,360
Publications & Info Resources	37,559	24,754
Telephone/ Internet	134,595	93,768
Taxi & Bus Travel	3,883	4,617
Miscellaneous Expenses	845	100
Vehicle Maintenance	18,275	31,082
Vehicle Petrol	55,625	60,559
Vehicle Registration	15,557	28,065
Volunteer Client Expenses	384	827
Volunteer Petrol	15,749	14,343
Water & Sewerages	2,547	1,277
Staff Amenities	8,284	3,211
Seminars/ Training	146,389	84,875
Deficit in Govt. Funded Programs W/off	1,091	1,415
Corporate Service Chargeout (net)	564	
Funds Transferred to Other Program	-	3,500
Refund- unspent money	-	52,771
Health & Safety	5,129	1,085
Recruitment Expenses	3,553	15,551
Employment Support & Supervision	13,293	8,043
Establishment Expenses	-	30,000
Redundancy Wages	(22,170)	49,121
Specific Fund Related Expenses	850,951	1,103,138
Fundraising Expenses	868	-
Vehicle Fleet (net)	62,662	-
Total Other Operating Costs	3,119,190	3,354,881