

Tenancy WA Incorporated

ABN: 74 703 193 741

SPECIAL PURPOSE FINANCIAL REPORT
For the Year Ended 30 June 2016

Tenancy WA Incorporated

ABN: 74 703 193 741

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For the Year Ended 30 June 2016

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Auditor's Independence Declaration

For the Year Ended 30 June 2016

Auditor's independence declaration to the Board of Tenancy WA Incorporated

In relation to our audit of the financial report of Tenancy WA Incorporated for the period ended 30 June 2016, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Australian Professional Accounting bodies.



Robert John Campbell CPA
Registered Company Auditor No. 334773
Australian Audit Group Pty Ltd
Level 2, 459 Hay Street, PERTH, WA

Date: 24.10.16

Tenancy WA Incorporated

ABN: 74 703 193 741

Independent Auditor's Report

For the Year Ended 30 June 2016

To the members of Tenancy WA Incorporated

We have audited the accompanying special purpose financial report of Tenancy WA Incorporated, which comprises the Statement of Financial Position as at 30 June 2016, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 30 June 2016, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Board.

Board's responsibility for the financial report

The Board of Tenancy WA Incorporated is responsible for the preparation of the financial report that gives a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporation Act (WA) 1987, Division 60 of The Australian Charities and Not for Profits Commission Act 2012 and for such internal control as the Board 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 of the financial report that gives a true and fair view 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 Board, 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.

Tenancy WA Incorporated

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Independent Auditor's Report

For the Year Ended 30 June 2016

Independence

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

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Tenancy WA Incorporated as of 30 June 2016 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 and Division 60 of Australian Charities and Not for Profits Commission Act 2012 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board's financial reporting responsibilities under the constitution of Tenancy WA Incorporated and the ACNC Act 2012. As a result, the financial report may not be suitable for another purpose.



Robert John Campbell CPA

Registered Company Auditor No. 334773

Australian Audit Group Pty Ltd

Level 2, 459 Hay Street, PERTH, WA

Date: 24.10.16

Tenancy WA Incorporated

ABN: 74 703 193 741

Board's Report

For the Year Ended 30 June 2016

The Board presents the report on Tenancy WA Incorporated for the financial year ended 30 June 2016.

The Board have been in office since the start of the financial year to the date of this report unless otherwise stated.

The net surplus of Tenancy WA Incorporated for the financial year ended 30 June 2016 amounted to \$21,988.

The principal activity of the association during the financial year was the provision of legal advice for residential tenancy issues.

During the period, Tenancy WA Incorporated applied the accounting policies described in Note 1 to these financial statements.

JUSTIN STEVENSON
Name:


Position: CHAIRPERSON

Date: 21.10.2016


Name: Adam Santa Maria

Position: Treasurer

Date: 24/10/2016

Tenancy WA Incorporated

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Statement by the Board

For the Year Ended 30 June 2016

In the opinion of the Board of Tenancy WA Incorporated:

- The financial report presents a true and fair view of the financial position of Tenancy WA Incorporated as at 30 June 2016, and its performance for the year ended on that date, in accordance with the accounting policies described in Note 1 to these financial statements.
- The operations of Tenancy WA Incorporated have been carried out in accordance with its constitution.
- At the date of this statement, there are reasonable grounds to believe that Tenancy WA Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

JUSTIN STEVENSON
Name:

Position: CHAIRPERSON

Date: 21. 10. 16

Adam Santa Maria
Name: Adam Santa Maria

Position: Treasurer

Date: 24/10/16

Tenancy WA Incorporated

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

	Notes	2016	2015
		\$	\$
Department of Commerce (DOC)		772,574	740,590
Commonwealth Legal Service Program (CLSP)		133,297	291,342
Conference income		32,046	22,859
Investment income		4,749	7,285
Other		28,090	7,582
Total revenue from operating activities		<u>970,756</u>	<u>1,069,658</u>
Employment		(729,912)	(718,917)
Conference expenses		(19,014)	(28,011)
Administration	2	(108,995)	(84,130)
Property		(79,369)	(76,810)
Depreciation		(11,478)	(15,073)
Total expenses from operating activities		<u>(948,768)</u>	<u>(922,941)</u>
Surplus from operating activities		<u>21,988</u>	<u>146,717</u>

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Statement of Financial Position

As at 30 June 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	3	288,146	472,444
Receivables	4	<u>15,652</u>	<u>11,098</u>
Total current assets		<u>303,798</u>	<u>483,542</u>
Non-current assets			
Property, plant and equipment	5	<u>49,738</u>	<u>61,216</u>
Total non-current assets		<u>49,738</u>	<u>61,216</u>
Total assets		<u>353,536</u>	<u>544,758</u>
Current liabilities			
Payables	6	20,815	265,878
Current provisions	7	<u>43,840</u>	<u>24,333</u>
Total current liabilities		<u>64,655</u>	<u>290,211</u>
Non-current liabilities			
Non-current provisions	8	<u>28,181</u>	<u>15,835</u>
Total non-current liabilities		<u>28,181</u>	<u>15,835</u>
Total liabilities		<u>92,836</u>	<u>306,046</u>
Net assets		<u>260,700</u>	<u>238,712</u>
Equity			
Retained earnings		<u>260,700</u>	<u>238,712</u>
Total equity		<u>260,700</u>	<u>238,712</u>

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Statement of Cash Flows

For the Year Ended 30 June 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from operations		773,269	1,269,554
Payments to suppliers and employees		(962,314)	(849,121)
Net cash generated by (used in) operating activities	9	<u>(189,045)</u>	<u>420,433</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		-	(3,968)
Interest received		4,747	7,285
Net cash generated by investing activities		<u>4,747</u>	<u>3,317</u>
Cash flows from financing activities			
Net cash generated by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>(184,298)</u>	<u>423,750</u>
Cash and cash equivalents at the beginning of the financial year		472,444	48,694
Cash and cash equivalents at the end of the financial year	3	<u>288,146</u>	<u>472,444</u>

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Statement of Changes in Equity

For the Year Ended 30 June 2016

	Retained earnings	Total
	\$	\$
Balance at 1 July 2014	<u>91,995</u>	<u>91,995</u>
Total comprehensive income for the 2015 year	146,717	146,717
Balance at 30 June 2015	<u>238,712</u>	<u>238,712</u>
Total comprehensive income for the 2016 year	21,988	21,988
Balance at 30 June 2016	<u>260,700</u>	<u>260,700</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Statement of significant accounting policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (WA) 1987 and the Australian Charities and Not for Profits Commission Act 2012. The Board of Management has determined that the association is not a reporting entity and a non-for-profit entity domiciled in Australia.

The financial statements have been prepared in accordance with the following mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not for Profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

AASB 101 - Presentation of Financial Statements

AASB 107 - Cash Flow Statements

AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1048 - Interpretation of Standards

AASB 1054 - Australian Additional Disclosures

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

a) Income Tax

The Association is exempt from income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.

b) Property, Plant and Equipment (PPE)

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

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

c) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible 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 recognised in the income and expenditure statement.

d) 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 period. Long service leave has been recognised based on the nominal value.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

e) 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. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

g) Revenue and Other Income

Grant revenue is recognised in the statement of comprehensive income 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.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

h) 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 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
2 Administration		
Audit and accounting fee	10,241	5,000
Advertising	2,732	6,090
Cleaning	5,200	4,100
Computer	9,173	7,231
Consultancy	35,084	13,950
Insurance	3,801	4,808
Memberships	8,783	5,006
Telephone & internet	12,949	7,804
Printing	3,886	8,549
Staff expense	909	10,211
Other	16,237	11,381
	<u>108,995</u>	<u>84,130</u>
3 Cash and cash equivalents		
Cash at bank	288,070	472,292
Cash on hand	76	152
	<u>288,146</u>	<u>472,444</u>
4 Receivables		
Prepayments	15,652	10,696
Accrued income	-	402
	<u>15,652</u>	<u>11,098</u>
5 Property, plant and equipment		
Plant and equipment	82,461	82,461
Less depreciation - plant and equipment	(32,723)	(21,245)
	<u>49,738</u>	<u>61,216</u>
6 Payables		
Creditors	1,676	4,058
Accrued expenses	8,697	36,240
Unspent grants	-	193,143
Other payables	10,442	32,437
	<u>20,815</u>	<u>265,878</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
7 Current provisions		
Employee leave provision	43,840	24,333
	<u>43,840</u>	<u>24,333</u>
8 Non-current provisions		
Long service leave provision	28,181	15,835
	<u>28,181</u>	<u>15,835</u>
9 Reconciliation to cash flows from operations		
Net surplus for the period	21,988	146,717
Non-operating cash flows in net profit (loss)		
Depreciation and amortisation	11,478	15,073
Interest received	(4,749)	(7,285)
Change in assets and liabilities		
(Increase)/decrease in receivables	(4,550)	159,364
Increase/(decrease) in payables	(245,065)	73,851
Increase/(decrease) in provisions	31,853	32,713
Net cash provided by operating activities	<u>(189,045)</u>	<u>420,433</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2016

10 Related party information

a) Members of the Board

The members of the Board who served for the whole of the financial year, unless otherwise indicated, are as follows:

Sue Pethick	Deputy Chairperson
Pauline Logan	Board member
Nigel Calver	Secretary
Adam Santa Maria	Treasurer
Justin Stevenson	Chairperson
Gai Walker	Board member

b) Related party transactions

There were no related party transactions requiring disclosure during the financial year.

11 Auditor's Remuneration

For the year ending 30 June 2016, the following remuneration (excluding GST) has been received or will be received by the auditor:

	2016	2015
	\$	\$
Audit fees - Australian Audit Group Pty Ltd	5,000	-
Audit fees - RG Ledger Pty Ltd	-	5,000
Other fees	1,500	1,500
	<u>6,500</u>	<u>6,500</u>

Segment information

Tenancy WA Incorporated operates predominantly in one business and geographic segment, being in the provision of legal advice for residential tenancy issues.

12 Subsequent events

There have been no events since 30 June 2016 that have had a material effect on the financial statements.

13 Tenancy WA Incorporated details

The principal place of business of Tenancy WA Incorporated is:

2/18 Plain Street, EAST PERTH, WA 6004

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INCOME AND EXPENDITURE STATEMENT - DEPARTMENT OF COMMERCE

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Income		
Department of Commerce	772,574	740,590
Department of Commerce 2015/2016	-	193,143
Donations	7,000	39
Membership fees	333	230
Interest received	4,546	7,285
Other	16,000	5,313
Conference	32,046	22,859
Service generated income	2,257	-
Total Income	834,756	969,459
Expenditure		
Advertising	37	-
Audit and accounting fee	8,705	4,000
Annual leave provision	15,685	9,911
Bank charges	681	576
Book-keeping	6,635	-
Cleaning	4,421	3,583
Client disbursements	129	-
Computer	1,530	628
Conference	18,377	14,150
Consultancy	4,147	1,950
CRU/LSU network co-ordination	780	266
Depreciation	9,756	15,073
Funding carry forward	-	193,143
Insurance	3,231	2,605
Interest expense	13	-
IT support	6,436	1,818
Library	(4)	494
Long service leave provision	11,433	14,306
Memberships	6,491	5,006
Minor equipment	3,197	-
Network & website hosting	1,977	2,461
Office expenses	1,556	3,291
Other expense	(950)	-
Photocopying and postage	2,150	3,276
Practising certificates	-	6,958
Rent	63,193	54,222
Repairs and maintenance	1,220	1,914
Salary and wages	548,152	456,177
Security	371	142

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INCOME AND EXPENDITURE STATEMENT - DEPARTMENT OF COMMERCE

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Expenditure (continued)		
Service promotion	94	-
Staff amenities	1,940	455
Staff employee assistance program	829	675
Staff recruitment	(15)	1,977
Staff training	38	1,391
Sundry expenses	157	930
Superannuation	50,716	42,879
Telephone	11,185	7,304
Travelling	1,215	1,687
Utilities	3,900	2,964
Workers compensation	1,479	1,408
Total Expenditure	<u>790,884</u>	<u>857,620</u>
Surplus/Deficit for Current Year	<u>43,872</u>	<u>111,839</u>

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INCOME AND EXPENDITURE STATEMENT - COMMONWEALTH LEGAL SERVICE PROGRAM 15/16

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Income		
CLSP	133,297	291,342
Interest income	203	-
Other	2,500	2,000
Total Income	<u>136,000</u>	<u>293,342</u>
Expenditure		
Audit and accounting fee	1,536	1,000
Annual leave provision	3,822	6,967
Bank charges	73	-
Book-keeping	1,146	-
Cleaning	779	1,217
Client disbursements	23	109
Computer	259	3,002
Conference	637	13,860
Consultancy	30,937	12,000
CRU/LSU Network Co-ordination	131	-
Depreciation	1,722	-
Insurance	570	2,203
IT support	948	1,633
Library	4	-
Long service leave provision	913	1,529
Membership	2,292	-
Minor equipment	453	1,479
Network & website hosting	623	1,139
Office expenses	241	686
Photocopying and postage	42	763
Printing and stationary	177	711
Practising certificates	645	1,020
Rent	11,152	18,313
Repairs and maintenance	213	662
Salary and wages	88,194	166,044
Security	65	294
Service promotion	17	-
Staff amenities	444	100
Staff employee assistance program	146	225
Staff recruitment	-	513
Staff training	7	1,694
Superannuation	7,379	15,235

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INCOME AND EXPENDITURE STATEMENT - COMMONWEALTH LEGAL SERVICE PROGRAM 15/16

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Telephone	1,764	1,200
Transcripts	23	1,150
Travelling	185	915
Utilities	688	1,225
Website	-	1,100
Workers compensation	280	476
Total Expenditure	<u>158,532</u>	<u>258,464</u>
Surplus/Deficit for Current Year	<u>(22,532)</u>	<u>34,878</u>