



SEX WORKERS OUTREACH PROJECT INC

ABN 38 451 145 442

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

Sex Workers Outreach Project Inc (SWOP) is an incorporated and domiciled in Australia.

Its registered office and principal place of business is:

414 Elizabeth Street
Surry Hills NSW 2010
Australia

The financial statements were authorised for issue by the directors on 10 September 2015. The committee of management has the power to amend and reissue the financial statements.

SEX WORKERS OUTREACH PROJECT INC (SWOP)

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$
REVENUE FROM CONTINUING OPERATIONS		
Grants:		
NSW Department of Health		1,154,200
Other grants		66,749
Fundraising		1,464
Interest received/receivable		1,726
Membership		527
Sale of materials		26,903
Other Income		6,783
Total revenue from continuing operations		1,258,352
EXPENDITURE		
Salaries & associated costs		813,179
Program materials and services		58,969
Rent and rates		55,059
Communications		15,147
Travel and representation		16,838
Advertising costs		2,093
Events and activities		11,213
Administrative costs		271,117
Total expenditure		1,243,614
Operating surplus for the year		14,737
Other comprehensive income		-
Total comprehensive income for the year		14,737

The above Statement of Surplus or Deficit and Other Comprehensive Income should be read in conjunction with the accompanying notes.

SEX WORKERS OUTREACH PROJECT INC (SWOP)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	2015 \$
CURRENT ASSETS		
Cash and cash equivalents	3	247,152
Receivables		140
Prepayments	4	57,828
TOTAL CURRENT ASSETS		305,120
TOTAL ASSETS		305,120
CURRENT LIABILITIES		
Trade and other payables	5	48,752
Employee entitlements	6	133,333
TOTAL CURRENT LIABILITIES		182,085
TOTAL LIABILITIES		182,085
NET ASSETS		123,035
STAKEHOLDERS' FUNDS		
Retained surplus at the end of the year	11	123,035
TOTAL ACCUMULATED FUNDS		123,035

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

SEX WORKERS OUTREACH PROJECT INC (SWOP)

STATEMENT OF CHANGES IN STAKEHOLDERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$
Year ended 30 June 2015	
Total stakeholder funds at the beginning of the financial year	-
Transfer from ACON Health Limited	108,298
Operating surplus for the year	14,737
Other comprehensive income for the year	-
Total stakeholder funds at the end of the financial year	123,035

The above Statement of Changes in Stakeholders' Funds should be read in conjunction with the accompanying notes.

SEX WORKERS OUTREACH PROJECT INC (SWOP)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers, granting bodies & fundraising (inclusive of goods & services tax)		1,256,626
Payments to suppliers and employees (inclusive of goods & services tax)		(1,011,200)
Interest received		1,726
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>247,152</u>
NET (DECREASE)/INCREASE IN CASH HELD		<u>247,152</u>
CASH AT THE BEGINNING OF THE YEAR		-
CASH AT THE END OF THE YEAR	4	<u>247,152</u>

| The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Sex Workers Outreach Project Inc (SWOP)

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, NSW Associations Act 2009 and the Australian Charities and Not-For-Profits Commission Act 2012. Sex Workers Outreach Project Inc is a not-for-profit for the purpose of preparing the financial statements.

i) *Compliance with Australian Accounting Standards – Reduced Disclosure Requirements*

The financial statements of Sex Workers Outreach Project Inc comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

ii) *New and amended standards adopted by the entity*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

iii) *Early adoption of standards*

The entity has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

iv) *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of art works.

v) *Comparative period*

The entity commenced operations on 1 July 2014 as such, no comparative figures have been disclosed in this financial report as this was the first year of operations.

vi) *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies.

B. REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of any rebates and amounts collected on behalf of third parties.

The entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the association and specific criteria have been met.

C. GOVERNMENT GRANTS

Revenue from non-reciprocal grants is recognised when the company obtains control of the funds.

D. IMPAIRMENT OF ASSETS

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of

NOTES TO THE FINANCIAL STATEMENTS

an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are entitled at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or entity of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

E. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

F. TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is used when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

G. TRADE AND OTHER CREDITORS

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

H. EMPLOYEE ENTITLEMENTS

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with the policy above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The obligations are presented as current liabilities in the balance sheet if the does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Sex Workers Outreach Project Inc (SWOP)

NOTES TO THE FINANCIAL STATEMENTS

Superannuation

Contributions are made by Sex Workers Outreach Project Inc to several employee superannuation funds of choice and are recognised as expenses as they become payable.

I. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the balance sheet.

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 taxation authority, are presented as operating cash flows.

2. INCOME TAX

Sex Workers Outreach Project Inc is exempt from income tax under section 50-10 of the Income Tax Assessment Act 1997. Accordingly, no provision for income tax has been made in the financial statements.

3. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2015 \$
Cash at bank:	
Cheque account – operations	247,152
	<u>247,152</u>

4. CURRENT ASSETS – PREPAYMENT

Prepayment - insurance	57,828
	<u>57,828</u>

5. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2015 \$
Goods & Services Tax net payable	30,391
Trade creditors	14,075
Accrued expenses	4,286
	<u>48,752</u>

6. CURRENT LIABILITIES – EMPLOYEE ENTITLEMENTS

Employee entitlements - annual & long service leave	133,333
Employee numbers	Number
Number of employees at reporting date (full time equivalent)	<u>12</u>

Sex Workers Outreach Project Inc (SWOP)

NOTES TO THE FINANCIAL STATEMENTS

7. REMUNERATION OF MEMBERS OF THE BOARD

Members of the Board, including the CEO and staff representatives, serve on the Board of the entity in a voluntary capacity and receive no remuneration for this service to the entity. An employee of the entity serving on the board receives normal salary and employment benefits commensurate with their position as an employee.

8. RELATED PARTY TRANSACTIONS

Prior to 1 July 2014, SWOP was a project within ACON Health Limited.

Transactions with related parties

During the year the following transactions occurred with ACON Health Limited:

Head office allocations	182,496
	<u>182,496</u>

| *Stakeholder funds from related parties*

Transfer of accumulated stakeholder funds	108,297
	<u>108,297</u>

9. ECONOMIC DEPENDENCY

The major source of funding for the entity is an annual grant from the NSW Ministry of Health. The NSW Ministry of Health has agreed to maintain current funding levels in the 2015/2016 financial year.

SEX WORKERS OUTREACH PROJECT INC (SWOP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Information and declarations to be furnished under the Charitable Fundraising Act 1991.

10. RETAINED SURPLUS

Retained surplus at the beginning of the year	-
Transfer from ACON Health Limited	<u>108,298</u>
Current year surplus	<u>14,737</u>
Retained surplus at the end of the year	<u>123,035</u>

Included in the retained surplus at 30 June 2015 is an amount of **\$48,256**, which is restricted in its use. This relates to grants received not yet expended for the purpose for which they were intended.

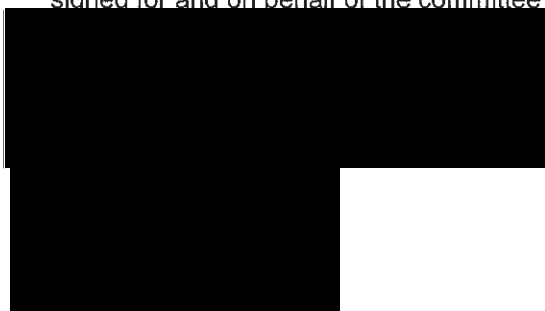
SEX WORKERS OUTREACH PROJECT INC (SWOP)

STATEMENT BY THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2015

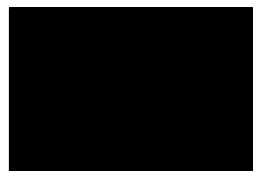
The members of the Committee of Management declare that:

- 1)
 - a) The financial statements and notes for the financial year ended 30 June 2015 present a true and fair view of the financial position of Sex Workers Outreach Project Inc and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and Interpretations; and
 - b) Comply with the Associations Act 2009 and Associations Regulation 2010; and
 - c) Comply with the Australian Charities and Not-for-profits Commission Act 2012; and
 - d) There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.
- 2)
 - a) The financial statements and notes are in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 1993 (NSW)*; and
 - b) The provisions of the *Charitable Fundraising Act 1991 (NSW)* and the regulations under this Act and the conditions attached to the authority to fundraise have been complied with; and
 - c) The internal controls exercised by Sex Workers Outreach Project Inc are appropriate and effective in accounting for all income received.

This declaration is made in accordance with a resolution of the committee of management, and is signed for and on behalf of the committee by:



Chief Executive Office



President

Dated at Sydney this 10th Day of September 2015.

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Sydney NSW 2000

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Independent Auditor's Report To the Members of Sex Workers Outreach Project Incorporated

We have audited the accompanying financial report of Sex Workers Outreach Project Incorporated (the "Association"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in stakeholder's funds 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 committee of management.

Responsibility of the Committee of Management

The Committee of Management of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Associations Incorporation Act (NSW) 2009 and the Australian Charities and Not-for-profits Commission Act 2012. The Committees' responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and 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 us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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,

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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 Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, 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 Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion the financial report of ACON Health Limited is in accordance with the Associations Incorporation Act (NSW) 2009 and Australian Charities and Not-for-profits Commission Act 2012, including:

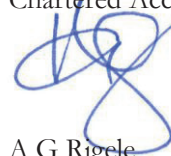
- a giving a true and fair view of the financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standard – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.

The financial report and associated records have been properly kept in accordance with:

- a Sections 20(1), 22(1-2) of the NSW Charitable Fundraising Act 1991 ("the Act"); and
- b Section 10 of the NSW Charitable Fundraising Regulation 2008 ("the Regulations") and Section 7 of Schedule 1 of the Regulations for the year ended 30 June 2015; and
- c the funds received as a result of fundraising appeals conducted for the year ended 30 June 2015 have been properly accounted for in accordance with the above mentioned sections of the Act and the Regulations.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A G Rigele
Partner - Audit & Assurance

Sydney, 10 September 2015