



# SEX WORKERS OUTREACH PROJECT INC

ABN 38 451 145 442

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Sex Workers Outreach Project Inc (SWOP) is an incorporated association, 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 13 December 2016. The committee of management has the power to amend and reissue the financial statements.

**Sex Workers Outreach Project Inc**

ABN 38 451 145 442

**Auditors Independence Declaration under S 60.40 of the Australian Charities And Not-For-Profits Commission Act 2012 to the Directors of Sex Workers Outreach Project Inc**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, 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* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DFK Laurence Varnay



Colin Grady  
Partner

Dated this 7th day of November 2016

Sydney

*We make it happen!*

# SEX WORKERS OUTREACH PROJECT INC (SWOP)

## STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	<i>Notes</i>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>REVENUE FROM CONTINUING OPERATIONS</b>			
Grants:			
NSW Department of Health		1,193,900	1,154,200
Other grants		11,234	66,749
Fundraising		4,718	1,464
Interest received/receivable		1,534	1,726
Membership		524	527
Sale of materials		45,404	26,903
Other Income		1,342	6,783
<b>Total revenue from continuing operations</b>		<b>1,258,656</b>	<b>1,258,352</b>
<b>EXPENDITURE</b>			
Salaries & associated costs		871,914	825,555
Program materials and services		70,329	58,969
Rent and rates		55,045	55,059
Communications		6,888	15,147
Travel and representation		25,872	17,195
Advertising costs		2,312	2,093
Events and activities		3,314	11,213
Administrative costs		240,585	258,384
<b>Total expenditure</b>		<b>1,277,873</b>	<b>1,243,614</b>
<b>Operating surplus for the year</b>		<b>(19,217)</b>	<b>14,737</b>

*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 2016

	<i>Notes</i>	<b>2016</b> \$	<b>2015</b> \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	272,255	247,152
Receivables		16,967	140
Prepayments	4	21,156	57,828
<b>TOTAL CURRENT ASSETS</b>		<b>310,378</b>	<b>305,120</b>
<b>TOTAL ASSETS</b>		<b>310,378</b>	<b>305,120</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	52,207	48,752
Employee entitlements	6	154,353	133,333
<b>TOTAL CURRENT LIABILITIES</b>		<b>206,560</b>	<b>182,085</b>
<b>TOTAL LIABILITIES</b>		<b>206,560</b>	<b>182,085</b>
<b>NET ASSETS</b>		<b>103,818</b>	<b>123,035</b>
<b>STAKEHOLDERS' FUNDS</b>			
Retained surplus at the end of the year	10	103,818	123,035
<b>TOTAL ACCUMULATED FUNDS</b>		<b>103,818</b>	<b>123,035</b>

*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 2016

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2016</b>		
Total stakeholder funds at the beginning of the financial year	123,035	-
Transfer from ACON Health Limited	-	108,298
Operating surplus for the year	(19,217)	14,737
Other comprehensive income for the year	-	-
<b>Total stakeholder funds at the end of the financial year</b>	<b>103,818</b>	<b>123,035</b>

*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 2016

	Notes	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers, granting bodies & fundraising (inclusive of goods & services tax)		1,248,323	1,256,626
Payments to suppliers and employees (inclusive of goods & services tax)		(1,224,754)	(1,011,200)
Interest received		1,534	1,726
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>25,103</b>	<b>247,152</b>
<b>NET (DECREASE)/INCREASE IN CASH HELD</b>		<b>25,103</b>	<b>247,152</b>
CASH AT THE BEGINNING OF THE YEAR		247,152	-
<b>CASH AT THE END OF THE YEAR</b>	<b>4</b>	<b>272,255</b>	<b>247,152</b>

*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 FOR THE YEAR ENDED 30 JUNE 2016

### 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, the *Associations Incorporation Act (NSW) 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 2015 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 2015.

*iv) Historical cost convention*

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

*v) 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 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.

# SEX WORKERS OUTREACH PROJECT INC (SWOP)

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

### 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 long service leave*

Liabilities for wages and salaries, including non-monetary benefits and accumulated annual leave and long service 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 long service leave are recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

The obligations are presented as current liabilities in the balance sheet if the Association 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.

#### *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.



# SEX WORKERS OUTREACH PROJECT INC (SWOP)

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

### 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.

	2016 \$	2015 \$
<b>3. CURRENT ASSETS – CASH AND CASH EQUIVALENTS</b>		
Cash at bank		
Cheque account – operations	272,255	247,152
	<u>272,255</u>	<u>247,152</u>

### 4. CURRENT ASSETS – PREPAYMENT

Prepayment – insurance	21,156	57,828
	<u>21,156</u>	<u>57,828</u>

### 5. TRADE AND OTHER PAYABLES

Trade creditors	3,421	14,075
Accrued expenses	19,423	4,286
Goods & Services Tax net payable	19,285	18,371
PAYG Withholding	10,078	12,020
	<u>52,207</u>	<u>48,752</u>

### 6. EMPLOYEE ENTITLEMENTS

Employee entitlements - annual & long service leave	<u>154,353</u>	<u>133,333</u>
Employee numbers		
Number of employees at reporting date (full time equivalent)	<u>12</u>	<u>12</u>

### 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. 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 for the next two years until 2018/2019.

### 9. RETAINED SURPLUS

	2016 \$	2015 \$
Retained surplus at the beginning of the year	123,035	-
Transfer from ACON Health Limited	-	108,298
Current year surplus	(19,217)	14,737
Retained surplus at the end of the year	<u>103,818</u>	<u>123,035</u>

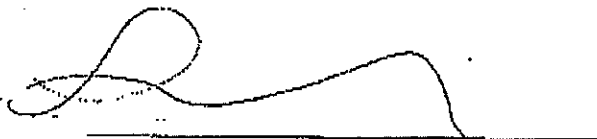
## SEX WORKERS OUTREACH PROJECT INC (SWOP)

### STATEMENT BY THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2016

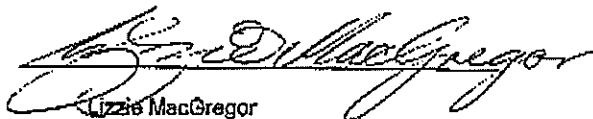
The members of the Committee of Management declare that

- 1) The financial statements and notes for the financial year ended 30 June 2016
  - a) 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 Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010*; and
  - c) Comply with the *Australian Charities and Not-for-profits Commission Act 2012*.
- 2) There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.
- 3)
  - 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:



Lara Belle  
Acting President



Lizzie MacGregor  
Treasurer

Dated at Sydney this 7<sup>th</sup> day of November, 2016.

## **Sex Workers Outreach Project Inc**

ABN 38 451 145 442

# **Independent Audit Report to the members of Sex Workers Outreach Project Inc**

## **Report on the Financial Report**

We have audited the accompanying financial report of Sex Workers Outreach Project Inc, which comprises the statement of financial position as at 30 June 2016, the statement of surplus or deficit and other 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 members of the committee.

### *Directors' Responsibility for the Financial Report*

The directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine 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 have 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 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 directors, 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.

*We make it happen!*



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## Sex Workers Outreach Project Inc

ABN 38 451 145 442

## Independent Audit Report to the members of Sex Workers Outreach Project Inc

### *Independence*

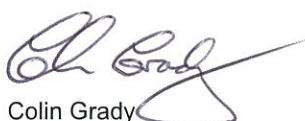
In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

### *Opinion*

In our opinion the financial report of Sex Workers Outreach Project Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

DFK Laurence Varnay

  
Colin Grady

Sydney

Dated this 7th day of November 2016

*We make it happen!*