

**SPECIFIC LEARNING DIFFICULTIES OF VICTORIA
INCORPORATED**

BOARD OF GOVERNANCE REPORT

Your Board of Governance submit the financial report of the Specific Learning Difficulties of Victoria Inc. for the financial year ended 30 June 2014.

Board Members

The names of board members that served during the financial year are:

Jason Henham
Andy Minogue
Maree Metcalfe
Dr Ros Frankel (appointed October 2013)
Elizabeth Knight (appointed October 2013)
Francesca Manglaviti (appointed February 2014)
Barbara Carter (resigned June 2014)

Principal Activities

The principal activities of the association during the financial year were to provide professional assessment, educational assistance and information services for children and adults with specific learning difficulties.

Significant Changes

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

Operating Result

The loss for the year ended 30 June 2014 amounted to \$36,697.
(year ended 30 June 2013: loss of \$10,158).

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



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Dated this / 7th day of ~~October~~ ^{September} 2014

**SPECIFIC LEARNING DIFFICULTIES OF VICTORIA
INCORPORATED**

**INCOME STATEMENT
YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenues	2	675,671	742,358
Employee benefits expense	3	(219,559)	(235,557)
Depreciation and amortisation expenses	3	(8,795)	(6,142)
Other expenses		(484,014)	(510,817)
Profit/(loss) for the year		<u>(36,697)</u>	<u>(10,158)</u>

The accompanying notes form part of these financial statements

**SPECIFIC LEARNING DIFFICULTIES OF VICTORIA
INCORPORATED**

**BALANCE SHEET
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	361,832	322,385
Receivables	5	22,510	17,690
Inventories	6	14,551	9,934
TOTAL CURRENT ASSETS		<u>398,893</u>	<u>350,009</u>
 NON-CURRENT ASSETS			
Property, plant and equipment	7	1,124,490	1,010,136
TOTAL NON-CURRENT ASSETS		<u>1,124,490</u>	<u>1,010,136</u>
 TOTAL ASSETS		 1,523,383	 1,360,145
 CURRENT LIABILITIES			
Trade and other payables	8	148,740	68,495
Employee benefits	9	13,077	13,387
TOTAL CURRENT LIABILITES		<u>161,817</u>	<u>81,882</u>
 TOTAL LIABILITIES		 161,817	 81,882
 NET ASSETS		 <u>1,361,566</u>	 <u>1,278,263</u>
 EQUITY			
Asset revaluation reserve	10a	853,159	733,159
Accumulated Surpluses/(Deficits)	10b	508,407	545,104
TOTAL EQUITY		<u>1,361,566</u>	<u>1,278,263</u>

The accompanying notes form part of these financial statements

**SPECIFIC LEARNING DIFFICULTIES OF VICTORIA
INCORPORATED**

**STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grant receipts from government		162,000	125,000
Membership		2,920	2,095
Donations received		26,619	58,299
Receipts from Learning Centre, Seminars, Workshops		16,689	8,943
Receipts from Assessment fees		484,727	526,605
Receipts from sundry activities		33,168	131
Payments to suppliers		(471,342)	(499,634)
Payments to employees		(219,869)	(235,540)
Net cash provided from operating activities	11b	34,912	(14,101)
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of/(payments for) additional investments		-	212,908
Interest received		7,684	8,900
Fixed asset purchases		(3,149)	-
Proceeds from sale of property, plant and equipment		-	-
Net cash provided by (used in) by investing activities		4,535	221,808
Net increase (decrease) in cash held		39,447	207,707
Cash at the beginning of year		322,385	114,678
Cash at the end of year	11a	361,832	322,385

The accompanying notes form part of these financial statements

**SPECIFIC LEARNING DIFFICULTIES OF VICTORIA
INCORPORATED**

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2014**

		Retained Earnings \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2012	10c	<u>555,262</u>	<u>703,159</u>	<u>1,258,421</u>
Profit/(loss) for the year		(10,158)	-	(10,158)
Total other comprehensive income for the year		-	30,000	30,000
Balance at 30 June 2013	10c	<u>545,104</u>	<u>733,159</u>	<u>1,278,263</u>
Profit/(loss) for the year		(36,697)	-	(36,697)
Total other comprehensive income for the year		-	120,000	120,000
Balance at 30 June 2014	10c	<u>508,407</u>	<u>853,159</u>	<u>1,361,566</u>

SPECIFIC LEARNING DIFFICULTIES OF VICTORIA Inc.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report that has been prepared in accordance with relevant Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Reform Act 2012 (Victoria).

The financial report covers Specific Learning Difficulties of Victoria Inc as an individual entity. The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Specific Learning Difficulties of Victoria Inc is an association incorporated in Victoria under the Associations Incorporation Reform Act 2012.

Basis of Preparation

The financial report is prepared on an accruals basis in accordance with the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2014, and the comparative information presented in these financial statements for the year ended 30 June 2013.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Tax

The association is endorsed as an income tax exempt charity, therefore there is no liability to pay income tax on any profits of the association.

Specific Learning Difficulties of Victoria Inc is registered for Goods and Services Tax.

b) Revenue

Assessments, seminars, workshops and Learning Centre fees are only recognised in the year that the services are provided or performed. Fees for these services are usually billed in advance and this is recognised as "fees in advance" until such time that the service is provided.

Membership fees, donations and government grants are recognised in the year to which they relate.

It is the policy of the entity to treat grant monies as unexpended grants in the statement of financial position where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received.

This approach is not in accordance with AASB 1004 Contributions.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

SPECIFIC LEARNING DIFFICULTIES OF VICTORIA Inc.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 1 Statement of Significant Accounting Policies (cont.)

c) Cash and Cash Equivalents

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

d) Inventories

Inventories consist of book and learning aid stock.
Inventories are measured at the lower of cost and net realisable value.

e) 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. 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.

f) Property, Plant and Equipment

Property holdings were reviewed throughout the year to ensure that carrying values were reflective of market values. Any increment arising was taken to a revaluation reserve.

Plant and Equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets.

The Association has set a threshold of \$100 for asset recognition.
Assets costing less than \$100 are expensed during the year of purchase.

Depreciation

The depreciable amount of all fixed assets are depreciated on a diminishing value basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Office Furniture & Fittings	15%
Office Equipment & Computers	20% to 50%

g) Comparative information

Where appropriate, comparative information has been restated to assist with user understanding.

SPECIFIC LEARNING DIFFICULTIES OF VICTORIA Inc.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2014

Note 2	Revenue	2014	2013
		\$	\$
	Operating Activities		
	Fees and Charges	484,727	526,605
	Public and Employee Contributions	2,920	2,095
	Book sales and video rentals	20,553	21,328
	Donations	26,619	58,299
	Government and other grants	<u>100,000</u>	<u>125,000</u>
		<u>634,819</u>	<u>733,327</u>
	Non-operating Activities		
	Interest received	7,684	8,900
	Other income	<u>33,168</u>	<u>131</u>
		<u>40,852</u>	<u>9,031</u>
	Total Revenue	<u><u>675,671</u></u>	<u><u>742,358</u></u>
Note 3	Expenses		
	a) Expenses		
	Remuneration of auditor		
	- audit services	2,000	1,800
	- other services	<u>-</u>	<u>-</u>
	Total remuneration	<u>2,000</u>	<u>1,800</u>
	b) Significant expenses		
	The following expense items are relevant in explaining the financial performance:		
	Cost of operations	362,155	392,402
	Loss on disposal of fixed assets	-	-
	Depreciation of property, plant & equipment	8,795	6,142
	Employee Costs	219,559	235,557
	Insurances	13,454	13,439
Note 4	Cash and Cash Equivalents		
	Cash on Hand	222	198
	Cash at Bank	<u>361,610</u>	<u>322,187</u>
		<u><u>361,832</u></u>	<u><u>322,385</u></u>
Note 5	Trade and Other Receivables		
	Debtors	22,510	17,690
	less Provision for Doubtful Debts	<u>-</u>	<u>-</u>
		<u><u>22,510</u></u>	<u><u>17,690</u></u>
Note 6	Inventories		
	Stock of Retail Outlets, at cost	<u>14,551</u>	<u>9,934</u>
		<u><u>14,551</u></u>	<u><u>9,934</u></u>

SPECIFIC LEARNING DIFFICULTIES OF VICTORIA Inc.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 7	Property, Plant and Equipment	2014 \$	2013 \$
	Freehold and Improvements, at market value	1,100,000	980,000
	less accumulated depreciation	<u>-</u>	<u>-</u>
		1,100,000	980,000
	Office Furniture & Fittings, at cost	20,503	20,503
	less accumulated depreciation	<u>9,829</u>	<u>7,942</u>
		10,674	12,561
	Office Equipment & Computers, at cost	34,720	31,571
	less accumulated depreciation	<u>20,904</u>	<u>13,996</u>
		<u>13,816</u>	<u>17,575</u>
		<u>1,124,490</u>	<u>1,010,136</u>
	a) Movements in Carrying Amounts		
	Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:-		
	Freehold Land and Improvements		
	Balance at the beginning of the year	980,000	950,000
	Revaluation Increments	<u>120,000</u>	<u>30,000</u>
	Carrying amount at the end of the year	<u>1,100,000</u>	<u>980,000</u>
	Office Furniture & Fittings		
	Balance at the beginning of the year	12,561	14,778
	Depreciation expense	<u>(1,887)</u>	<u>(2,217)</u>
	Carrying amount at the end of the year	<u>10,674</u>	<u>12,561</u>
	Office Equipment & Computers		
	Balance at the beginning of the year	17,575	21,500
	Additions	3,149	-
	Depreciation expense	<u>(6,908)</u>	<u>(3,925)</u>
	Carrying amount at the end of the year	<u>13,816</u>	<u>17,575</u>
Note 8	Trade and Other Payables		
	Trade creditors	22,693	23,206
	Credit cards	371	-
	Statutory payables	13,112	10,681
	Fees billed in advance	35,564	34,608
	Accruals	15,000	-
	Grants received in advance	<u>62,000</u>	<u>-</u>
		<u>148,740</u>	<u>68,495</u>
Note 9	Employee Benefits		
	Current		
	Superannuation Payable	2,675	4,283
	Provision for Annual Leave	10,402	9,104
	Provision for Long Service Leave	<u>-</u>	<u>-</u>
		<u>13,077</u>	<u>13,387</u>

SPECIFIC LEARNING DIFFICULTIES OF VICTORIA Inc.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 10	Equity	2014 \$	2013 \$
	(a) Reserves		
	Property, Plant & Equipment Revaluation Reserve*		
	Balance at beginning of the reporting period	733,159	703,159
	Revaluation Increment/(Decrements)		
	- Land and Buildings	<u>120,000</u>	<u>30,000</u>
	Balance at end of the reporting period	<u><u>853,159</u></u>	<u><u>733,159</u></u>
	Represented by:		
	- Land and Buildings	<u>853,159</u>	<u>733,159</u>
		<u><u>853,159</u></u>	<u><u>733,159</u></u>
	* The property, plant & equipment asset revaluation reserve arises on the revaluation of property plant and equipment.		
	(b) Accumulated Surpluses/(Deficits)		
	Balance at beginning of the reporting period	545,104	555,262
	Net Result for the Year	<u>(36,697)</u>	<u>(10,158)</u>
	Balance at the end of the reporting period	<u><u>508,407</u></u>	<u><u>545,104</u></u>
	(c) Total Equity at end of financial year	<u><u>1,361,566</u></u>	<u><u>1,278,263</u></u>

Note 11 Cash Flow Information

a) Reconciliation of Cash

Cash on Hand	222	198
Cash at Bank	<u>361,610</u>	<u>322,187</u>
	<u><u>361,832</u></u>	<u><u>322,385</u></u>

b) Reconciliation of net cash provided by operating activities to profit from ordinary activities.

Profit from ordinary activities	(36,697)	(10,158)
Non cash flows in profit from ordinary activities:		
Depreciation	8,795	6,142
Interest received on investments	(7,684)	(8,900)
Net (profit)/loss on write off of fixed assets	-	-
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	(4,820)	(2,363)
Decrease/(Increase) in prepayments and other assets	-	3,794
Decrease/(Increase) in inventories	(4,617)	6,678
Increase/(Decrease) in payables	17,289	711
Increase/(Decrease) in monies received in advance	62,956	(10,022)
Increase/(Decrease) in provisions	(310)	17
Net cash provided by operating activities	<u><u>34,912</u></u>	<u><u>(14,101)</u></u>

c) The association has no credit stand-by facilities in place.

d) There were no non-cash financing or investing activities during the period.

SPECIFIC LEARNING DIFFICULTIES OF VICTORIA Inc.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Note 12 Events Subsequent to Reporting Date

Since 30 June 2014 no events have occurred which would affect the financial position as at 30 June 2014 or any other matters disclosed in these financial statements.

Note 13 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets known to the association.

Note 14 Related Parties

There have been no related party transactions during the reporting years.

Note 15 Segment Reporting

The Association operates mainly in one business and geographical area, being in the business of providing educational and support services to persons with specific learning disabilities in Victoria, predominantly Melbourne.

Note 16 Association Details

The principal place of business of the Association is:

Specific Learning Difficulties of Victoria Inc.
60 High Street
Preston VIC 3072

**SPECIFIC LEARNING DIFFICULTIES OF VICTORIA Inc.
STATEMENT BY MEMBERS OF THE BOARD**

In the opinion of the Board of Governance the financial report:

- 1 Presents a true and fair view of the financial position of Specific Learning Difficulties of Victoria Inc. as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the accounts. The Board of Governance have determined that the association is not a reporting entity and therefore there is no requirement to apply Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Committee in the preparation of these financial statements.

- 2 At the date of this statement, there are reasonable grounds to believe that the association 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 of Governance and is signed for and on behalf of the Board of Governance by :



Dated this 17th day of September 2014

Ref: 134004_1

The Board of Governance
Specific Learning Difficulties of Victoria Incorporated
60 High Street
PRESTON VIC 3072

Dear Board Members

RE: Specific Learning Difficulties of Victoria Inc 2013 Audit

The purpose of this report is to bring to your attention the matters arising from the audit of Specific Learning Difficulties of Victoria Inc's ("SPELD") financial report for the six months ended 30 June 2014.

1 Employee entitlements

The Association has again chosen not to recognise on balance sheet any Long Service Leave Provisions. Previous discussions with management indicated that the many staff changes that took place during the year ended 31 December 2009 has resulted in staff accruing minimal Long Service Leave entitlements to date. As such, no provision was raised for either the period ended 30 June 2014 or 2013.

Audit recommends that these provisions be regularly reviewed to ensure that the balance sheet remains an accurate reflection of liabilities of the organisation. By 30 June 2014 some staff members will have completed several years' service and will have an increasing possibility of their Long Service Leave vesting.

CONCLUSION

We would like to thank the members of the Specific Learning Difficulties of Victoria Inc for their assistance and co-operation during our audit.

Please do not hesitate to contact Sandra Rowley or myself if you have any queries.

Yours faithfully



Bryan McKimmie
LANGLEY McKIMMIE
Encl

29 September 2014

Langley McKimmie
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INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF SPECIFIC LEARNING DIFFICULTIES OF VICTORIA INC.

SCOPE

The financial statements comprise the, Balance Sheet, Income Statement, Cashflow Statement, Statement of Changes in Equity, accompanying notes to the financial statements, and the Board of Governance's declaration for Specific Learning Difficulties of Victoria Inc., for the year ended 30 June 2014.

The Board of Governance is responsible for the preparation of the financial statements and have determined that the accounting policies used are appropriate to meet the needs of the Associations Incorporation Reform Act (2012) and members. The Board of Governance is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the association. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly in accordance with the Associations Incorporation Reform Act (2012), including compliance with relevant Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

Langley McKimmie

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Bryan McKimmie CPA, Affiliate ICAA



**Chartered
Accountants**

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant account estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the Board of Governance and management of the association.

INDEPENDENCE

We are independent of the association, and have met the independence requirements of Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards, the Associations Incorporation Reform Act (2012), and other mandatory professional reporting requirements the financial position of Specific Learning Difficulties of Victoria Inc. as at 30 June 2014, and the results of its operations and its cash flows for the year then ended.

LANGLEY MCKIMMIE
Chartered Accountants



Bryan McKimmie CPA

Dated: 29 September 2014

