

**Western Sydney Regional
Organisation of Councils Ltd**
ABN 16 053 399 983

Financial report
For the year ended 30 June 2014

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WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

ABN 16 053 399 983

DIRECTORS' REPORT

The directors present their report together with the financial report of Western Sydney Regional Organisation of Councils Ltd ("WSROC") for the year ended 30 June 2014 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Clr Tony Hadchiti

Clr Tiffany Tree

Clr Steve Issa

Clr Jacqueline Donaldson

Clr Jim Aitken OAM

Clr Khal Asfour

Clr George Barcher

Clr George Campbell

Clr John Chedid

Clr Greg Cummings

Clr Mick Fell

Clr Kim Ford

Clr Ben Goldfinch

Clr Mark Holmes

Clr Milovan Karajcic

Clr Ned Mannoun

Clr Daniel Myles

Clr Allan Winterbottom

Clr Michael Zaiter

Clr Hicham Zraika

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

DIRECTORS' REPORT

Short-term and long-term objectives and strategies

The company's short-term objectives are to:

- Provide media and public presentations to all levels of Australian government.
- Successfully deliver approved outcomes of externally funded grants programs.
- Provide shared procurement services for the member Councils of Western Sydney

The company's long-term objectives are to:

- Advocate for regional planning, transport and infrastructure, and employment outcomes for member Councils of Western Sydney
- Seek external funding where available for projects which are part of the Western Sydney Regional Organisation of Councils core business.
- Provide a sufficient level of return on equity to guarantee the independent viability of the enterprise.

To achieve its sort-term and long-term objectives, the company has adopted the following strategies:

- Generate efficient coordination and delivery of advocacy services for the member Councils.
- Seek and examine opportunities for new procurement opportunities through the sharing of information and services for the member Councils.
- Work with other bodies to achieve outcomes that deliver agreed grant funded targeted outcomes.

Principal activities

To carry out the company's strategies and to achieve its short-term and long-term objectives, the company engaged in the following principal activities during the year.

Advocacy to the Commonwealth and NSW governments regarding the needs of Western Sydney.

Representation to the Commonwealth and NSW governments and development of partnerships with government, business and community organisations in relation to improving the employment planning, infrastructure, environmental and cultural outcomes in the region.

Joint procurement activities on behalf of the member councils.

Researching the needs of Western Sydney and advancing its interests.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

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DIRECTORS' REPORT

Key performance indicators

The company's short and long term objectives are not readily measurable. WSROC's performance for 2013/2014 is measured by the outcomes achieved in relation to its advocacy on behalf of the needs of Western Sydney with regard to:

Infrastructure - \$10.2 billion for Western Sydney projects, including extension of the North West and South West rail lines, M9, Westconnex, F3-M2 tunnel, Western Sydney Light Rail.

Jobs - 3,000 public servants moving to Western Sydney.

Health - \$125 million in 2014/2015 budget for Western Sydney hospital upgrades and services.

Commuting - funding for smart hub networks.

Housing - social and affordable housing review.

Economy - Western Sydney Economic Development Taskforce.

Tourism - Western Sydney Tourism Taskforce.

Climate - funding for climate adaption.

Environment - Hawkesbury Nepean flood management review.

WSROC has been successful in applying for and securing four grants for the 2013/2014 and future financial years from both Federal and NSW State government departments. These grants have enabled WSROC to add additional dedicated staff and resources to deliver outcomes for the Community Energy Efficiency Program ("CEEP"), Advancing Sustainability Leadership program, Woodsmoke Reduction program and Waste Less Recycle More program.

While there was considerable staff turnover during the 2013/2014 financial year, the procurement section of WSROC was able to continue to service its member Councils through joint procurement activities and reached 98.5% of budgeted procurement revenue.

Information on directors

Clr Tony Hadchiti Liverpool City Council

Local Government Experience 6 years

Special responsibilities WSROC President

Profession Finance Broker

Clr Tiffany Tree Hawkesbury City Council

Local Government Experience 6 years

Special responsibilities WSROC Senior Vice President

Profession Teacher

DIRECTORS' REPORT

Information on directors (Continued)

Clr Steve Issa	Parramatta City Council
Experience	2 years
Special responsibilities	WRSROC Junior Vice President
Profession	IT Consultant
Clr Jacqueline Donaldson	Blacktown City Council
Local Government Experience	6 years
Special responsibilities	WSROC Treasurer
Profession	Teacher
Clr Jim Aitken OAM	Penrith City Council
Local Government Experience	20 years
Profession	General Manager
Clr Khal Asfour	Bankstown City Council
Local Government Experience	10 years
Profession	Consultant and BCC Mayor
Clr George Barcher	Fairfield City Council
Local Government Experience	2 years
Profession	Engineer
Clr John Chedid	Parramatta City Council
Local Government Experience	11 years
Profession	Medical Diagnostic Consultant, Mayor
Clr Greg Cummings	Holroyd City Council
Local Government Experience	10 years
Profession	Union Organiser
Clr Mick Fell	Blue Mountains City Council
Local Government Experience	4 years
Profession	Retired
Clr Kim Ford	Hawkesbury City Council
Local Government Experience	4 years
Profession	Businessman, Mayor

DIRECTORS' REPORT

Information on directors (Continued)

Clr Ben Goldfinch	Penrith City Council
Local Government Experience	6 years
Profession	Sales Representative
Clr Mark Holmes	Blacktown City Council
Local Government Experience	2 years
Profession	Electorate Officer
Clr Milovan Karajcic	Fairfield City Council
Local Government Experience	2 years
Profession	Carpenter
Clr Ned Mannoun	Liverpool City Council
Local Government Experience	6 years
Profession	Mayor
Clr Daniel Myles	Blue Mountains City Council
Local Government Experience	15 years
Profession	Mayor
Clr Allan Winterbottom	Bankstown City Council
Local Government Experience	15 years
Profession	Retired
Clr Steve Yang	Auburn City Council
Local Government Experience	2 years
Profession	Engineer
Clr Michael Zaiter	Holroyd City Council
Local Government Experience	6 years
Profession	Chartered Accountant
Clr Hicham Zraika	Auburn City Council
Local Government Experience	10 years
Profession	Physiotherapist, Mayor

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD**ABN 16 053 399 983****DIRECTORS' REPORT****Meetings of directors**

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Clr Tony Hadchiti	8	7
Clr Tiffany Tree	8	6
Clr Steve Issa	8	5
Clr Jacqueline Donaldson	8	7
Clr Jim Aitken OAM	8	7
Clr Khal Asfour	8	1
Clr George Barcher	8	6
Clr John Chedid	8	2
Clr Greg Cummings	8	3
Clr Mick Fell	8	3
Clr Kim Ford	8	2
Clr Ben Goldfinch	8	4
Clr Mark Holmes	8	3
Clr Milovan Karajcic	8	4
Clr Ned Mannoun	8	-
Clr Daniel Myles	8	6
Clr Allan Winterbottom	8	2
Clr Steve Yang	8	2
Clr Michael Zaiter	8	3
Clr Hicham Zraika	8	2

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

ABN 16 053 399 983

DIRECTORS' REPORT

Each member Council provides 2 Directors. In addition each member Council has alternate board members who can attend in a Director's absence. In 2013/2014 the following alternates attended WSROC Director meetings:

Name	Council	2013/2014 Attendances
Marcus Cornish	Penrith City Council	2
Michael Creed	Hawkesbury City Council	1
Ross Fowler	Penrith City Council	0
Ross Grove	Holroyd City Council	4
Bakous Makari	Parramatta City Council	1
Sabrina Mamone	Liverpool City Council	1
Jill Reardon	Hawkesbury City Council	0
Eddy Sarkis	Holroyd City Council	0
Charbel Saliba	Fairfield City Council	0
Karlo Siljeg	Blacktown City Council	2
Zaya Toma	Fairfield City Council	0
Chris Van Der Kley	Blue Mountains City Council	1
Lorraine Warne	Parramatta City Council	0
Steve Yang	Auburn City Council	2

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 30 June 2014 the number of members was 11. The combined total amount that members of the company are liable to contribute if the company is wound up is \$110.

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Signed on behalf of the board of directors.

Director: _____

Clr Tony Hadchiti

Director: _____

Clr Jacqueline Donaldson

Dated this 11th day of December 2014

**WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD
ABN 16 053 399 983**

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD**

In relation to the independent audit for the year ended 30 June 2014, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.

Carl Millington

Partner

PITCHER PARTNERS

Sydney

Date: 11 December 2014

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

ABN 16 053 399 983

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue and other income			
Operational revenue	2	954,294	912,946
Other revenue	2	43,438	74,102
Other income	2	<u>3,148,301</u>	<u>275,832</u>
	2	<u>4,146,033</u>	<u>1,262,880</u>
Less: expenses			
Depreciation and amortisation expense	3	(14,623)	(14,768)
Employee benefits expense		(540,334)	(521,706)
Occupancy expense		(50,637)	(50,906)
Repairs and maintenance expense		(1,886)	(15,292)
Lease expense		(5,722)	(4,516)
Advertising expense		(6,186)	(8,648)
Procurement expenses		(46,027)	(137,110)
Project expenses - WITL		-	(328,496)
Project expenses - EPA		(109,691)	-
Project expenses - CEEP		(56,150)	-
Project expenses - Woodsmoke		(5,440)	-
Other expenses		<u>(270,833)</u>	<u>(151,453)</u>
		<u>(1,107,529)</u>	<u>(1,232,895)</u>
Surplus / (Deficit)		3,038,504	29,985
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u>3,038,504</u>	<u>29,985</u>

The accompanying notes form part of these financial statements.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

ABN 16 053 399 983

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	4	3,686,189	875,988
Receivables	5	558,910	13,250
Other assets	7	<u>111,103</u>	<u>20,906</u>
Total current assets		<u>4,356,202</u>	<u>910,144</u>
Non-current assets			
Property, plant and equipment	6	<u>31,556</u>	<u>35,945</u>
Total non-current assets		<u>31,556</u>	<u>35,945</u>
Total assets		<u>4,387,758</u>	<u>946,089</u>
Current liabilities			
Payables	8	519,336	47,585
Borrowings	9	2,818	17,941
Provisions	10	13,994	83,056
Other liabilities	11	<u>294,891</u>	<u>261,346</u>
Total current liabilities		<u>831,039</u>	<u>409,928</u>
Non-current liabilities			
Provisions	10	<u>29,654</u>	<u>47,600</u>
Total non-current liabilities		<u>29,654</u>	<u>47,600</u>
Total liabilities		<u>860,693</u>	<u>457,528</u>
Net assets		<u>3,527,065</u>	<u>488,561</u>
Equity			
Retained earnings	12	<u>3,527,065</u>	<u>488,561</u>
Total equity		<u>3,527,065</u>	<u>488,561</u>

The accompanying notes form part of these financial statements.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD
ABN 16 053 399 983

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Total equity		
Balance at beginning of the year	488,561	458,576
Movements in equity from:		
Retained earnings	<u>3,038,504</u>	<u>29,985</u>
Balance at the end of the year	<u><u>3,527,065</u></u>	<u><u>488,561</u></u>
Retained earnings		
Balance at beginning of the year	488,561	458,576
Profit for the year	<u>3,038,504</u>	<u>29,985</u>
Total comprehensive income	<u><u>3,038,504</u></u>	<u><u>29,985</u></u>
Balance at the end of the year	<u><u>3,527,065</u></u>	<u><u>488,561</u></u>

The accompanying notes form part of these financial statements.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD
ABN 16 053 399 983

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Cash flow from operating activities			
Receipts from customers		835,809	989,969
Operating grant receipts		2,883,945	303,222
Payments to suppliers and employees		(933,824)	(1,593,372)
Interest received		<u>49,202</u>	<u>45,357</u>
Net cash provided by / (used in) operating activities		<u>2,835,132</u>	<u>(254,824)</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		8,946	136
Payment for property, plant and equipment		<u>(18,754)</u>	<u>(6,248)</u>
Net cash provided by / (used in) investing activities		<u>(9,808)</u>	<u>(6,112)</u>
Reconciliation of cash			
Cash at beginning of the financial year		858,047	1,118,983
Net increase / (decrease) in cash held		<u>2,825,324</u>	<u>(260,936)</u>
Cash at end of financial year	13(a)	<u><u>3,683,371</u></u>	<u><u>858,047</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO 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 prepared in order to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The directors have determined that the company is not a reporting entity.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity Western Sydney Regional Organisation of Councils Ltd as an individual entity. Western Sydney Regional Organisation of Councils Ltd is a company limited by guarantee, incorporated and domiciled in Australia. Western Sydney Regional Organisation of Councils Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*. The financial report complies with the recognition and measurement requirements of the Australian Accounting Standards but does not comply with the disclosure requirements of these standards.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Revenue

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

Membership fees are recognised as revenue when no significant uncertainty as to its collectability exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Contributions - Government Grants and Donations

A non-reciprocal contribution or grant is recognised when the entity obtains control of the contribution or grant and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

A non-reciprocal donation is recognised when the right to receive a donation has been established.

When the entity receives grants but is obliged to give directly approximately equal value to the contributor, recognition of grant income will be deferred until the delivery of service.

(d) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(f) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured at cost. Where plant and equipment was acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of fixed asset is not depreciated.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an out flow of economic benefits will result and that outflow can be reliably measured.

(h) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity 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.

(i) Borrowing costs

Borrowing costs can including interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred.

(j) 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 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

ABN 16 053 399 983

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: REVENUE AND OTHER INCOME

Operational revenue		
Council membership contributions	651,696	635,801
Procurement commission	<u>302,598</u>	<u>277,145</u>
	<u>954,294</u>	<u>912,946</u>
Other revenue		
Interest income	40,129	47,692
Other revenue	<u>3,309</u>	<u>26,410</u>
	<u>43,438</u>	<u>74,102</u>
Other Income		
Profit on sale/revaluation of non-current assets	426	136
Grants and subsidies	<u>3,147,875</u>	<u>275,696</u>
	<u>3,148,301</u>	<u>275,832</u>
	<u>4,146,033</u>	<u>1,262,880</u>

Grants and subsidies are received from other levels of government based on submissions made by WSROC. Revenue is recognised as received in accordance with the funding agreements applicable to each individual grant.

NOTE 3: OPERATING PROFIT

Profit / (losses) before income tax has been determined after:

Net gain on disposal of non-current assets:		
- Profit on sale of other non-current assets	426	136
Depreciation		
- motor vehicles	6,562	3,283
- furniture and fittings	<u>8,061</u>	<u>11,485</u>
	14,623	14,768
Bad debts		
- Doubtful debts	121,358	-
Rental expense on operating leases		
- minimum lease payments	5,722	4,516

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

ABN 16 053 399 983

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
NOTE 3: OPERATING PROFIT (CONTINUED)		
Employee benefits:		
- Other employee benefits	540,334	521,706

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	100	300
Cash at bank	3,158,297	350,574
Cash on deposit	<u>527,792</u>	<u>525,114</u>
	<u>3,686,189</u>	<u>875,988</u>

Government grants are obtained by WSROC on the condition that they are spent in a specified manner in accordance with the related funding agreements. As a consequence, a portion of WSROC's cash is restricted based on the grant monies received and related project expenditures incurred.

Unexpended grants held at 30 June 2014 total \$2,890,594. This total is primarily made up of cash assets related to the two major projects for 2013/2014:

- Community Efficiency Program (Commonwealth Department of Industry); and
- Waste Less, Recycle More program (NSW Environmental Protection Authority).

NOTE 5: RECEIVABLES

CURRENT

Trade debtors	676,091	-
Impairment loss	<u>(121,358)</u>	<u>-</u>
	554,733	-
Other receivables	<u>4,177</u>	<u>13,250</u>
	<u>558,910</u>	<u>13,250</u>

Trade debtors at 30 June 2014 includes an amount receivable in accordance with the funding agreement with the Commonwealth Department of Industry for the Community Energy Efficiency Program ("CEEP").

The amount of \$578,718 was recognised as receivable on 10 June 2014 and was received by WSROC on 2 July 2014.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Motor vehicles at cost	25,983	25,983
Accumulated depreciation	<u>(18,317)</u>	<u>(11,755)</u>
	7,666	14,228
Office equipment at cost	17,921	26,133
Accumulated depreciation	<u>(8,578)</u>	<u>(22,685)</u>
	9,343	3,448
Furniture, fixtures and fittings at cost	4,302	231,843
Accumulated depreciation	<u>(128)</u>	<u>(224,241)</u>
	4,174	7,602
Other capital assets at cost, including Paintings and Software/Web Design	38,748	66,670
Accumulated depreciation	<u>(28,375)</u>	<u>(56,003)</u>
	<u>10,373</u>	<u>10,667</u>
Total plant and equipment	<u>31,556</u>	<u>35,945</u>
Total property, plant and equipment	<u>31,556</u>	<u>35,945</u>

NOTE 7: OTHER ASSETS

CURRENT		
Prepayments	20,313	5,562
Accrued income	66,905	-
Other current assets	<u>23,885</u>	<u>15,344</u>
	<u>111,103</u>	<u>20,906</u>

NOTE 8: PAYABLES

CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	84,356	17,562
Sundry creditors and accruals	<u>434,980</u>	<u>30,023</u>
	<u>519,336</u>	<u>47,585</u>

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

ABN 16 053 399 983

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 9: BORROWINGS		
CURRENT		
<i>Unsecured liabilities</i>		
Bank overdraft	<u>2,818</u>	<u>17,941</u>

NOTE 10: PROVISIONS

CURRENT		
Employee benefits	(a) <u>13,994</u>	<u>83,056</u>
NON CURRENT		
Employee benefits	(a) <u>29,654</u>	<u>47,600</u>
(a) Aggregate employee benefits liability	43,648	130,656

(b) Description of provisions

Employee benefit provisions relate to annual and long service leave entitlements estimated for employees of the company as at 30 June 2014.

A significant decrease from the 30 June 2013 provision has occurred. The decrease is the result of:

- termination of longstanding staff members in the 2013/2014 financial year; and
- not providing for sick leave accrued as at 30 June 2014.

Sick leave is not "vested" and therefore not payable on termination. No provision for sick leave has been estimated at 30 June 2014. This contrasts to 2013 where a provision estimation was made.

NOTE 11: OTHER LIABILITIES

CURRENT		
Membership fees and levies received in advance	294,891	195,509
Unspent procurement item	<u>-</u>	<u>65,837</u>
	<u>294,891</u>	<u>261,346</u>

NOTE 12: RETAINED EARNINGS

Retained earnings at beginning of year	488,561	458,576
Net profit	<u>3,038,504</u>	<u>29,985</u>
	<u>3,527,065</u>	<u>488,561</u>

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

ABN 16 053 399 983

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$

NOTE 13: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Cash on hand	100	300
Cash at bank	3,158,297	350,574
At call deposits with financial institutions	527,792	525,114
Bank overdrafts	<u>(2,818)</u>	<u>(17,941)</u>
	<u>3,683,371</u>	<u>858,047</u>

NOTE 14: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- not later than one year	4,245	49,692
- later than one year and not later than five years	<u>-</u>	<u>4,245</u>
	<u>4,245</u>	<u>53,937</u>

The operating lease commitment is in relation to the occupation of Suite 2, Level 1, 49 Campbell Street, Blacktown NSW 2148 from Blacktown City Council. The lease period is 1 August 2011 to 31 July 2014, WSROC has been on a monthly arrangement since the expiry date.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2014 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2014, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2014, of the company.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD
ABN 16 053 399 983

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 16: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$NIL each towards meeting any outstandings and obligations of the company. At 30 June 2014 the number of members was NIL. The combined total amount that members of the company are liable to contribute if the company is wound up is \$NIL.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

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DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 - 21, are in accordance with the *Corporations Act 2001*: and
 - (a) comply with Accounting Standards in Australia as detailed in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and performance for the year ended on that date of the company in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: _____
Clr Tony Hadchiti

Director: _____
Clr Jacqueline Donaldson

Dated this 19th day of February 2015

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD
ABN 16 053 399 983

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

We have audited the accompanying financial report, being a special purpose financial report of Western Sydney Regional Organisation of Councils Ltd, which comprises the statement of financial position as at 30 June 2014, 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 directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 that we 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, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company'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 company'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.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD
ABN 16 053 399 983

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

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 *Corporations Act 2001*.

Opinion

In our opinion the financial report of Western Sydney Regional Organisation of Councils Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

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 directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Carl Millington

Partner

PITCHER PARTNERS

Sydney

Date 11 December 2014

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD

ABN 16 053 399 983

**ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2014**

**PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2014 FINANCIAL STATEMENTS**

	2014	2013
	\$	\$
Income		
Council Membership Subscriptions	651,696	635,801
Procurement commission	302,598	277,145
Interest income	40,129	47,692
Profit on sale/revaluation of non current assets	426	136
Other revenue	3,309	26,410
Subsidies and grants received [from government]	<u>3,147,875</u>	<u>275,696</u>
Total income	<u>4,146,033</u>	<u>1,262,880</u>
Less expenses		
Professional fees	16,175	24,124
Advertising	11,280	8,648
Audit fees	9,109	5,473
Bank charges	701	1,307
Cleaning	6,401	8,350
Computer expenses	17,167	1,459
Consultancy fees	159,257	108,331
Depreciation	14,623	14,768
Donations	-	30
Doubtful debts	121,358	-
Entertainment expenses	6,763	4,707
Fees and licences	24,297	5,035
Fringe benefits tax	498	618
General expenses	1,503	11,355
Holiday pay	(3,659)	(6,757)
Insurance	12,270	12,284
Leasing charges	5,722	4,516
Legal costs	44	113
Magazines, journals and periodicals	1,765	1,026
Motor vehicle expenses	16,217	25,748
Office supplies	1,370	-
Operating expenses	6,408	74,335
Postage	109	278
Printing and stationery	6,701	10,682
Rent	50,637	50,906
Repairs and maintenance	383	4,447
Salaries and wages	510,464	420,023

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LTD
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ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2014

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2014 FINANCIAL STATEMENTS

	2014	2013
	\$	\$
Sick leave	(56,213)	23,707
Staff training and welfare	15,304	82,418
Storage fees	1,877	-
Subscriptions	6,791	5,100
Superannuation	74,550	58,792
Telephone	18,207	22,288
Travelling expenses incl tolls and parking	14,637	1,391
WITL Expenses	-	229,171
Workshop expenses	<u>34,811</u>	<u>18,220</u>
Total expenses	<u>1,107,527</u>	<u>1,232,893</u>
Operating profit from continuing activities before tax	<u>3,038,506</u>	<u>29,987</u>