



AUDITED FINANCIAL STATEMENTS 2018

**PENINSULA COMMUNITY
LEGAL CENTRE INC**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018**

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**COMMITTEE'S REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

Your Committee members submit the financial report of Peninsula Community Legal Centre Inc for the financial year ended 30 June 2018.

Committee Members

The names of Committee members and their position at the date of this report are:

Phillip Carr	- Chairperson	
Jen Kelly	- Treasurer	
Lisa Bremner	- Secretary	
Benjamin Needleman	- General Committee	
Paul Hodgman	- General Committee	
Liz Lor	- General Committee	(Appointed 14.09.17)
Luke Denham	- General Committee	(Appointed 12.04.18)
Thierry Pascal	- General Committee	(Appointed 12.04.18)
Phillip Heaven	- General Committee	(Resigned 08.03.18)

Principal Activities

The principal activities of the association during the financial year were to provide free legal advice and casework to the general public, whilst maintaining a strong community development focus.

Significant Changes

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

Operating Result

The operating profit after providing for income tax amounted to \$36,842 (2017: \$29,974 profit).

Signed in accordance with a resolution of the members of the Committee

Chairperson
P Carr

Treasurer
J Kelly

Dated this 14 day of August 2018

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To Peninsula Community Legal Centre Inc,

As lead auditor for the audit of Peninsula Community Legal Centre Inc for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the independence requirements of the *Associations Incorporation Reform Act 2012 (Victoria)* and the *Corporations Act 2001* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Frankston this 9th day of August 2018



SHEPARD WEBSTER & O'NEILL AUDIT PTY LTD

Certified Practising Accountant

Authorised Audit Company No 415478

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DAVID A SZEPEFALUSY
DIRECTOR

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		\$	\$
CONTINUING OPERATIONS			
INCOME			
Grant Funding	2	3,417,491	2,951,480
Other Income	3	57,613	71,135
		<u>3,475,104</u>	<u>3,022,615</u>
EXPENSES			
Communication Expenses		(41,702)	(40,631)
Depreciation Expense		(28,246)	(50,590)
Employment Expenses		(2,834,328)	(2,433,677)
Finance Expenses		(9,673)	(15,000)
Occupancy Expenses		(244,763)	(204,752)
Office & Administrative Expenses		(195,598)	(149,927)
Repairs & Maintenance Expenses		(31,568)	(29,988)
Resources Expenses		(25,635)	(33,687)
Travel & Accommodation Expenses		(26,749)	(34,389)
		<u>(3,438,262)</u>	<u>(2,992,641)</u>
NET PROFIT		<u>36,842</u>	<u>29,974</u>
Other Comprehensive Income			
- Items that may be reclassified subsequently to profit or loss when specific conditions are met		-	-
- Items that will not be reclassified subsequently to profit or loss		-	-
TOTAL COMPREHENSIVE INCOME		<u><u>36,842</u></u>	<u><u>29,974</u></u>

The Accompanying Notes Form Part of These Financial Statements

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	NOTE	2018	2017
CURRENT ASSETS		\$	\$
Cash at Bank and on Hand	11a	325,297	357,789
Receivables		1,650	-
Accrued Income		-	23,665
Term Deposit		1,250,000	1,250,000
Other Assets	4	12,690	8,310
TOTAL CURRENT ASSETS		<u>1,589,637</u>	<u>1,639,764</u>
NON-CURRENT ASSETS			
Fixed Assets	5	70,191	75,830
TOTAL NON-CURRENT ASSETS		<u>70,191</u>	<u>75,830</u>
TOTAL ASSETS		<u>1,659,828</u>	<u>1,715,594</u>
CURRENT LIABILITIES			
Trade and Other Payables	6	82,627	64,810
Payroll Liabilities	7	60,090	65,832
Grants in Advance	8	49,100	403,350
Employee Provisions	9	358,967	293,287
VLA Unused Funds	12	500,315	322,389
TOTAL CURRENT LIABILITIES		<u>1,051,099</u>	<u>1,149,668</u>
NON-CURRENT LIABILITIES			
Employee Provisions	9	42,733	36,772
TOTAL NON-CURRENT LIABILITIES		<u>42,733</u>	<u>36,772</u>
TOTAL LIABILITIES		<u>1,093,832</u>	<u>1,186,440</u>
NET ASSETS		<u>565,996</u>	<u>529,154</u>
EQUITY			
Retained Earnings		565,996	529,154
TOTAL EQUITY		<u>565,996</u>	<u>529,154</u>

The Accompanying Notes Form Part of These Financial Statements

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
RETAINED EARNINGS			
Opening Balance		529,154	499,180
Profit in the current year		36,842	29,974
Other Comprehensive Income		-	-
CLOSING BALANCE OF RETAINED EARNINGS		<u>565,996</u>	<u>529,154</u>
TOTAL EQUITY		<u><u>565,996</u></u>	<u><u>529,154</u></u>

The Accompanying Notes Form Part of These Financial Statements

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Grants & Other Income		3,979,828	3,314,679
Payments to Suppliers and Employees		(4,023,218)	(2,920,299)
Interest Received		<u>33,505</u>	<u>36,436</u>
Net cash provided by Operating Activities	11(b)	<u>(9,885)</u>	<u>430,816</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for fixed assets		(22,607)	(23,326)
Investment in Term Deposits		<u>-</u>	<u>(450,000)</u>
Net cash used in Investing Activities		<u>(22,607)</u>	<u>(473,326)</u>
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Net cash provided by / (used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase in Cash Held		(32,492)	(42,510)
Cash at the beginning of the year		<u>357,789</u>	<u>400,299</u>
Cash at the end of the year	11(a)	<u><u>325,297</u></u>	<u><u>357,789</u></u>

The Accompanying Notes Form Part of These Financial Statements

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT OF ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012 (Victoria)*, the *Australian Charities and Not-for-profits Commission Act 2012* and the Victorian Legal Aid Commission. The Committee has determined that the Association is not a reporting entity.

The following accounting standards have been applied in the preparation of the financial report:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048	Interpretation and Application of Standards
AASB 1054	Australian Additional Disclosures.

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

a) Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

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

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Rates of depreciation and amortisation vary between 10% and 33%.

b) Impairment of Assets

At the end of each reporting period, the Committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - SUMMARY OF SIGNIFICANT OF ACCOUNTING POLICIES (CONTINUED)

c) Employee Entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. These are in the form of Annual Leave for all employees and Long Service Leave accrued for all employees but not entitled until ten years of services (pro-rata after seven years of service). In the case of Long Service Leave, separate bank accounts are maintained from which payments to employees taking leave is funded. These accounts are included in Term Deposits in the Current Assets section of the Statement of Financial Position.

Contributions are made to employee superannuation funds and are charged as expenses when incurred.

d) Cash

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

e) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

f) Revenue and Other Income

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt, unless otherwise stated. In the case of funding income received from the Victoria Legal Aid (VLA), revenue is recognised when the services have been rendered, and accordingly any unused funds are deferred to be used in future periods in accordance with the service agreement with the VLA.

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

g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - SUMMARY OF SIGNIFICANT OF ACCOUNTING POLICIES (CONTINUED)

h) Income Tax

The association a not for profit organisation and as such is exempt from income tax under section 50-B of the Income Tax Assessment Act 1997. Consequently, no provision is made in the accounts for income tax.

i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

j) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k) Comparative Figures Changes

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

l) Leases

Leases of property plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

m) Financial Assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT OF ACCOUNTING POLICIES (CONTINUED)

n) New Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Association. The Association's assessment of the impact of these new standards and interpretations is set out below.

AASB 15 Revenue from Contracts with Customers, and AASB 9 Financial Instruments:

AASB 15 and AASB 9 are mandatory for financial years commencing on or after 1 January 2018, and the Association has not chosen to early adopt. The Association has assessed the effect of the new standards on their financial statements, noting that there is unlikely to be a material impact.

AASB 1058 Income for Not-For-Profit Entities, and AASB 16 Leases:

AASB 1058 and AASB 16 are mandatory for financial years commencing on or after 1 January 2019, and the Association has not chosen to early adopt. The Association has assessed the effect of the new standards on their financial statements, noting that there is unlikely to be a material impact.

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 2 - STATE, COMMONWEALTH AND OTHER FUNDING		
a) <i>Commonwealth Funding:</i>		
VLA Commonwealth Attorney General	818,724	804,676
VLA Commonwealth SACS ERO	80,860	66,028
	<u>899,584</u>	<u>870,704</u>
b) <i>State Funding:</i>		
Consumer Affairs Victoria	576,131	430,266
VLA State Attorney General	1,246,384	1,050,252
VLA State SACS ERO	206,356	162,928
	<u>2,028,871</u>	<u>1,643,446</u>
c) <i>VLA Unused Funds Transfer:</i>		
VLA Unused Funds Carried Forward from the Prior Year & Recognised in the Current Year	<u>(177,926)</u>	<u>(26,857)</u>
d) <i>Other Funding:</i>		
General Grants	467,746	269,322
Local Government	199,216	194,865
	<u>666,962</u>	<u>464,187</u>
 Total Grant Funding	 <u>3,417,491</u>	 <u>2,951,480</u>
NOTE 3 - OTHER INCOME		
Disbursements Reimbursed	4,733	4,000
Fundraising/Donations	2,656	4,440
Interest	33,505	36,436
Membership	210	375
Workcover Insurance Claims	-	12,330
Sundry Income	16,509	13,554
	<u>57,613</u>	<u>71,135</u>
NOTE 4 - OTHER ASSETS		
Rental Security Bonds	3,084	2,944
Prepayments	9,606	5,366
	<u>12,690</u>	<u>8,310</u>

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
NOTE 5 - FIXED ASSETS		
Office Furniture & Fixtures at Cost	249,535	226,927
Provision for Depreciation (Office F&F)	(179,344)	(151,097)
	<u>70,191</u>	<u>75,830</u>
Leasehold Improvements at Cost	261,754	261,754
Provision for Depreciation (Leasehold Improvements)	(261,754)	(261,754)
	<u>-</u>	<u>-</u>
Total Office Fixtures, Fittings & Leasehold Improvements	<u><u>70,191</u></u>	<u><u>75,830</u></u>

Reconciliation of the Movement in Carrying Amounts

	Office Furniture & Fixtures	Leasehold Improvements	Total
	\$	\$	\$
Balance at the 1 July 2016	72,556	30,538	103,094
Additions at cost	23,326	-	23,326
Disposals (Net)	-	-	-
Depreciation expense	(20,052)	(30,538)	(50,590)
Carrying amount at 30 June 2017	<u>75,830</u>	<u>-</u>	<u>75,830</u>
Additions at cost	22,607	-	22,607
Disposals (Net)	-	-	-
Depreciation expense	(28,246)	-	(28,246)
Carrying amount at 30 June 2018	<u><u>70,191</u></u>	<u><u>-</u></u>	<u><u>70,191</u></u>

NOTE 6 - TRADE & OTHER PAYABLES

Trade Payables	16,892	16,522
GST Payable	54,466	48,339
Accrued Expenses	9,355	-
Other Payables	1,914	(51)
	<u>82,627</u>	<u>64,810</u>

NOTE 7 - PAYROLL LIABILITIES

Superannuation Payable	22,134	25,921
PAYG Payable	35,452	37,134
Other Payroll Liabilities	2,504	2,777
	<u>60,090</u>	<u>65,832</u>

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		\$	\$
NOTE 8 - GRANTS IN ADVANCE			
Department of Justice - Family Violence Duty Lawyer	<i>i)</i>	12,000	9,900
Department of Justice - Fines Clinic Pilot	<i>ii)</i>	11,100	15,500
Department of Justice – Health Justice Partnership Project	<i>iii)</i>	14,400	-
VLA - Streamline Fines Project	<i>iv)</i>	11,600	-
Department of Justice - Family Violence Case Worker	<i>v)</i>	-	20,750
Ian Potter Foundation	<i>vi)</i>	-	17,400
VLA - Family Violence to Family Law	<i>vii)</i>	-	339,800
		<u>49,100</u>	<u>403,350</u>

i) Department of Justice - Family Violence Duty Lawyer

In the 2017/18 year, further funding of \$45,000 was received from the Department of Justice, to be expended on the Family Violence program. This project is for the provision of a duty lawyer, with the aim of providing direct assistance to those grappling with the family violence intervention order process, and to avoid any additional distress and risk to safety that could arise from lack of access to legal assistance.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. As at 1 July 2017, \$9,900 was carried forward to be utilised in the 2017/18 year, and during the year approximately \$42,860 of funding was utilised on the project. As a result, \$42,900 has been recognised in income in the 2017/18 year, and \$12,000 has been recorded as a liability in the Statement of Financial Position for unused project funds to be utilised in the subsequent year.

ii) Department of Justice - Fines Clinic Pilot

In the 2017/18 year, further funding of \$45,000 was received from the Department of Justice, to be expended on the Fines Clinic pilot project. This project aims to provide direct assistance to clients with outstanding infringements by supporting them to navigate the system and resolve their issues before they escalate.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. As at 1 July 2017, \$15,500 was carried forward to be utilised in the 2017/18 year, and during the year approximately \$54,310 of funding was utilised on the project. As a result, \$54,400 has been recognised in income in the 2017/18 year, and \$11,100 has been recorded as a liability in the Statement of Financial Position for unused project funds to be utilised in the subsequent year.

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 8 - GRANTS IN ADVANCE (CONTINUED)

iii) Department of Justice – Health Justice Partnership Project

In the 2017/18 year, funding of \$45,000 was received from the Department of Justice, to be expended on the Health Justice Partnership Project. This project is for the provision of a family violence related onsite legal services at Peninsula Health.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. As at 30 June 2018, approximately \$30,580 had been utilised on the project. As a result, \$30,600 has been recognised in income in the 2017/18 year, and \$14,400 has been recorded as a liability in the Statement of Financial Position for unused project funds to be utilised in the subsequent year.

iv) VLA Streamline Fines Project

In the 2017/18 year, funding of \$15,049 was received from the VLA, to be expended on the Streamline Fines Project. The project is a collaboration between Victoria Legal Aid and three community legal centres (Moonee Valley Legal Service, Peninsula Community Legal Service and WEstjustice). This project aims to combine technology, health-justice partnerships (HJPs) and bulk processing of similar matters to increase efficiency and consistency of fine revocation applications for vulnerable Victorians with special circumstances.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. As at 30 June 2018, approximately \$3,425 had been utilised on the project. As a result, \$3,449 has been recognised as income in the 2017/18 year, and \$11,600 has been recorded as a liability in the Statement of Financial Position for unused project funds to be utilised in the subsequent year.

v) Department of Justice - Family Violence Case Worker

In the 2016/17 year, funding of \$45,198 was received from the Department of Justice, to be expended on the Family Violence program. This project was for the provision of a family violence related legal services in the Rosebud and Cranbourne regions.

The funding was to be used exclusively for the purpose as outlined in the funding application. Prior year carry forward funding of \$20,750 was utilised in the 2017/18 year. As at 30 June 2018, the remaining funding had been utilised under the project terms, and there are no further funds to carry forward.

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 8 - GRANTS IN ADVANCE (CONTINUED)

vi) Ian Potter Foundation

In the 2016/17 year, funding of \$70,000 was received from the Ian Potter Foundation, to be expended on the 'Integrating Legal Services into the school communities of vulnerable and disadvantaged suburbs pilot' program. This project was for the implementation and provision of a onsite legal service in two Frankston North Primary Schools and to develop and deliver legal education activities to the secondary school and families of both the primary schools and secondary school families, to improve understanding of legal issues and increase engagement with the legal assistance sector.

The funding was to be used exclusively for the purpose as outlined in the funding application. Prior year carry forward funding of \$17,400 was utilised in the 2017/18 year. As at 30 June 2018, the remaining funding had been utilised under the project terms, and there are no further funds to carry forward.

vii) VLA - Family Violence to Family Law

In the 2016/17 year, funding of \$500,000 was received from the VLA, to be expended on the Family Violence to Family Law Continuity of Service Delivery Pilot. This project was for the provision of a high quality continuing legal service from the time parents first appear at the State Magistrates' Court to deal with family violence intervention orders, and which supports them address their ongoing family law needs through either family dispute resolution or the Commonwealth family law courts.

The funding was to be used exclusively for the purpose as outlined in the funding application. Prior year carry forward funding of \$339,800, plus \$1,500 in term deposit interest, was utilised in the 2017/18 year. As at 30 June 2018, the remaining funding had been utilised under the project terms, and there are no further funds to carry forward.

NOTE 9 - PROVISIONS

	2018	2017
<i>Current</i>	\$	\$
Annual Leave	151,767	98,023
Annual Leave Loading	19,738	12,867
Long Service Leave	187,462	172,547
Redundancy	-	9,850
	<u>358,967</u>	<u>293,287</u>
<i>Non-Current</i>		
Long Service Leave	<u>42,733</u>	<u>36,772</u>

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 10 - LEASING COMMITMENTS		
Being for Rent of Office Premises		
Operating lease commitments not capitalised in the accounts		
Payable:		
- not later than one year	195,033	218,891
- later than one year but not later than 5 years	388,905	583,938
	<u>583,938</u>	<u>802,829</u>

The Association have entered into a number of leases to rent premises as well as one lease for a photocopier. Terms of leases range from 1 to 5 years, with security deposits over premises ranging between one and three months rent. Security deposits are refundable at the completion of the lease term.

NOTE 11 - CASH FLOW INFORMATION

(a) RECONCILIATION OF CASH

Cash on Hand	300	350
National Australia Bank - Cheque A/c	6,181	2,504
National Australia Bank - Business A/c	1,000	-
National Australia Bank - Cash Management A/c	317,816	354,935
	<u>325,297</u>	<u>357,789</u>

(b) RECONCILIATION OF CASH FLOW FROM OPERATIONS
WITH NET SURPLUS(DEFICIT)

Operating Surplus / (Loss)	36,842	29,974
<i>Add/deduct non-cash items:</i>		
Depreciation	28,246	50,590
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in Debtors	(1,650)	339
(Increase)/Decrease in Prepayments	(4,380)	2,929
Increase/(Decrease) in Grants in Advance	(354,250)	312,850
Increase/(Decrease) in Unused VLA funds	177,926	26,857
Increase/(Decrease) in Trade Creditors & Accruals	12,075	2,067
Increase/(Decrease) in Accrued Revenue	23,665	(1,049)
Increase/(Decrease) in Provisions	71,641	6,259
Cash Flow From Operations	<u>(9,885)</u>	<u>430,816</u>

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
NOTE 12 - VLA Unused Funds		
Allowable Surplus - VLA unused funds carried forward	301,879	173,972
Allowable Surplus - SACS ERO grants	148,417	148,417
Excess Surplus	50,019	-
	<u>500,315</u>	<u>322,389</u>

In line with the VLA service agreement, any unused funds are required to be carried forward as a liability in the organisation's Statement of Financial Position. Any amounts of unused surplus funding that are in excess of 15% of the total VLA funding for the current year are to be classified as *Excess Surplus*, with the remaining to be classified as *Allowable Surplus*.

In the 2017/18 year, there was no additional funding provided by the VLA, so the balance remained at \$148,417 (2015/16: \$57,612, 2014/15: \$47,561, 2013/14: \$32,341, 2012/13: \$10,904). As specified in the funding agreement, this funding was a SACS ERO grant to be reserved for use in future years to assist with additional costs arising from the Award salary rate increases. This funding has been recorded as a liability in the Statement of Financial Position for unused funds. On the basis that the funding agreement specifically reserves this for future periods, and hence the funding has not been recognised as income in the 2017/18 financial statements.

NOTE 13 - EVENTS SUBSEQUENT TO BALANCE DATE

There have been no significant events occurring after balance date which may affect the operations of the Association, not otherwise disclosed in this report.

NOTE 14 - ECONOMIC DEPENDENCE

The Association's ability to continue to carry out its current activities remains dependent upon future funding by the State and Commonwealth governments.

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

STATEMENT BY MEMBERS OF THE COMMITTEE


The Committee have determined that the Centre is not a reporting entity.

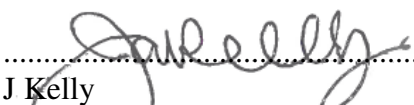
The Committee have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the accounts.


In the opinion of the Committee the financial statements

1. Present a true and fairly view of the financial position of Peninsula Community Legal Centre Inc as at 30 June 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the *Associations Incorporation Reform Act 2012 (Victoria)*, the *Australian Charities and Not-for-profits Commission Act 2012* and the Victorian Legal Aid Commission; and
2. At the date of this statement, there are reasonable grounds to believe that Peninsula Community Legal Centre Inc will be able to pay its debts as and when they fall due.

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

Chairperson 
P Carr

Treasurer 
J Kelly

Dated this  day of August 2018

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
PENINSULA COMMUNITY LEGAL CENTRE INC.
Reg. No.A8T**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Peninsula Community Legal Centre Inc, which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Profit or Loss 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 certification by members of the Committee on the annual statements giving a true and fair view of the financial position and performance of the Association.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of Peninsula Community Legal Centre Inc as at 30 June 2018 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PENINSULA COMMUNITY LEGAL CENTRE INC. Reg. No.A8T

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of the Association is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Report

The Committee of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012* and for 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.

In preparing the financial report, the Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Committee of the Association is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PENINSULA COMMUNITY LEGAL CENTRE INC. Reg. No.A8T

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
PENINSULA COMMUNITY LEGAL CENTRE INC.
Reg. No.A8T**

Dated at Frankston on the 9th of August 2018



SHEPARD WEBSTER & O'NEILL AUDIT PTY LTD

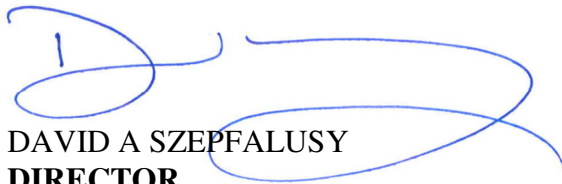
Certified Practising Accountant

Authorised Audit Company No 415478

434 Nepean Highway Frankston 3199, PO Box 309 Frankston Victoria 3199

Telephone (03) 9781 2633 – Fax (03) 9781 3073

Email – szepfalusy@shepard.com.au



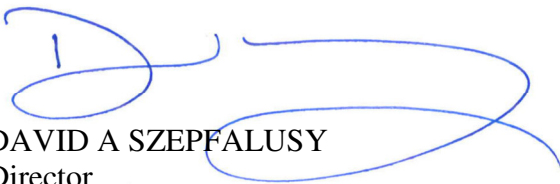
**DAVID A SZEPPFALUSY
DIRECTOR**

AUDITOR'S DISCLAIMER

TO THE MANAGEMENT COMMITTEE
Peninsula Community Legal Centre Inc
REGISTERED NO: A8T

The additional financial data presented in the following pages is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our audit of the Association for the year ended 30 June 2018. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither us nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

SHEPARD WEBSTER & O'NEILL AUDIT PTY LTD



DAVID A SZEPPFALUSY
Director

Dated at Frankston on the 9th of August 2018

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**APPENDIX 1 – DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

CONTINUING OPERATIONS	2018	2017
INCOME	\$	\$
VLA Commonwealth Attorney General	818,724	804,676
VLA Commonwealth SACS ERO	80,860	66,028
VLA State Attorney General	1,246,384	1,050,252
VLA State SACS ERO	206,356	162,928
VLA Family Advocacy and Support Services	171,550	25,000
VLA Streamline Fines Project	3,449	
Consumer Affairs Victoria	576,131	430,266
City of Casey	33,456	32,800
Mornington Peninsula Shire Council	67,934	49,933
City of Kingston	36,286	35,229
City of Frankston	38,798	38,798
City of Glen Eira	71,742	38,105
DHHS	123,868	52,600
Victorian Law Foundation	3,000	52,450
Department of Justice	116,879	139,272
Disbursements Reimbursed	4,733	4,000
Fundraising/Donations	2,656	4,440
Interest	33,505	36,436
Workcover Insurance Claims	-	12,330
Membership	210	375
Sundry Income	16,509	13,554
TOTAL INCOME	3,653,030	3,049,472
EXPENDITURE		
Salaries - Permanent staff	2,504,718	2,202,941
Salaries - Casual staff	1,611	4,624
Superannuation - Permanent staff	236,999	205,201
Superannuation - Casual staff	102	388
Workcover	10,979	8,652
Travel	26,749	34,389
Advertising	6,320	4,993
Amenities	16,071	12,478
Audit	8,100	7,848
Bank charges	1,244	1,079
Minor Equipment & Maintenance	34,026	35,774
CLE Expenses	9,664	3,195
Cleaning	23,299	24,649
Conferences	2,182	3,101
Contractors	49,031	46,705

**PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T**

**APPENDIX 1 – DETAILED INCOME STATEMENT (cont.)
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
EXPENDITURE (Continued)	\$	\$
Allowances	-	-
Data Collection Upgrade	11,550	-
Disbursements	4,678	5,040
Donations	562	1,500
Electricity, gas and fuel	27,348	21,745
First Aid Certificates	1,611	1,559
Incorporation Fees	329	223
Insurance	11,014	14,427
Interpreter & Translation Services	90	-
Language Allowance	2,000	2,000
Legal & Accounting Fees	-	5,850
Library	13,789	12,197
License Fees	538	-
Management Fee	240	-
Memberships	4,053	1,103
National Name Check	3,565	311
Postage	8,276	2,875
Practicing certificates	5,245	8,492
Printing, Photocopying & Publication Costs	35,838	37,379
Rates	401	1,023
Rebranding	6,900	-
Rent	191,949	153,134
Stationery & Office Supplies	24,251	17,849
Security	1,526	4,201
Telephone & Internet	41,702	40,631
Training	9,825	8,237
Sub Total Direct Expenditure	3,338,375	2,935,793
TOTAL INCOME LESS DIRECT EXPENDITURE	314,655	113,679
INCREMENTS/(DECREMENTS) TO PROVISIONS & DEPRECIATION		
Annual Leave	(60,615)	8,674
Long Service Leave	(20,876)	(5,082)
Redundancy	9,850	(9,850)
Depreciation	(28,246)	(50,590)
VLA Unused Funds transfers	2 (177,926)	(26,857)
Sub Total Increments to Provisions & Depreciation	(277,813)	(83,705)
TOTAL EXPENDITURE	3,616,188	3,019,498
NET SURPLUS/(DEFICIT)	36,842	29,974