

Audited Financial Statements 2019



**PENINSULA COMMUNITY
LEGAL CENTRE INC**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2019**

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

**COMMITTEE'S REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Your Committee members submit the financial report of Peninsula Community Legal Centre Inc for the financial year ended 30 June 2019.

Committee Members

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

Thierry Pascal	- Chairperson	
Phillip Carr	- Vice Chair	
Jen Kelly	- Treasurer	
Lisa Bremner	- Secretary	
Paul Hodgman	- General Committee	
Liz Lor	- General Committee	
Luke Denham	- General Committee	
Samuel Ellemor	- General Committee	(Appointed 09.08.18)

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

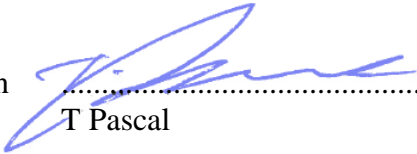
During the year, as a result of the wind up of Casey Cardinia Legal Service, Peninsula Community Legal Service received additional funding to enhance their services in the City of Casey. Approximately \$130,000 of funding was received in the 2018/19 year.

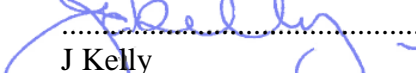
Aside from the above, there was no significant change in the nature of the principle activities occurred during the year.

Operating Result

The operating profit after providing for income tax amounted to \$35,290 (2018: \$36,842 profit).

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

Chairperson 
T Pascal

Treasurer 
J Kelly

Dated this 8th day of August 2019

Auditor's Independence Declaration

To Peninsula Community Legal Centre Inc,

In accordance with the requirements of section 60-40 of the Australian Charities and Not for Profits Commission Act 2012, as lead auditor for the audit of Peninsula Community Legal Centre Inc for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* 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 8th day of August 2019



SHEPARD WEBSTER & O'NEILL AUDIT PTY LTD

Certified Practising Accountant

Authorised Audit Company No 415478

31 Beach Street Frankston 3199, PO Box 309 Frankston Victoria 3199

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

Email – szepfalusy@shepard.com.au



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 2019

		2019	2018
		\$	\$
CONTINUING OPERATIONS			
INCOME			
Grant Funding	2	3,958,156	3,417,491
Other Income	3	85,570	57,613
		<u>4,043,726</u>	<u>3,475,104</u>
EXPENSES			
Communication Expenses		(41,715)	(41,702)
Depreciation Expense		(27,980)	(28,246)
Employment Expenses		(3,359,435)	(2,834,328)
Finance Expenses		(11,010)	(9,673)
Occupancy Expenses		(252,633)	(244,763)
Office & Administrative Expenses		(205,017)	(195,598)
Repairs & Maintenance Expenses		(41,750)	(31,568)
Resources Expenses		(36,122)	(25,635)
Travel & Accommodation Expenses		(32,774)	(26,749)
		<u>(4,008,436)</u>	<u>(3,438,262)</u>
NET PROFIT		<u>35,290</u>	<u>36,842</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>35,290</u></u>	<u><u>36,842</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 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash at Bank and on Hand	11a	572,851	325,297
Receivables		55,248	1,650
Term Deposit		1,250,000	1,250,000
Other Assets	4	8,493	12,690
TOTAL CURRENT ASSETS		1,886,592	1,589,637
NON-CURRENT ASSETS			
Fixed Assets	5	73,889	70,191
TOTAL NON-CURRENT ASSETS		73,889	70,191
TOTAL ASSETS		1,960,481	1,659,828
CURRENT LIABILITIES			
Trade and Other Payables	6	114,479	82,627
Payroll Liabilities	7	69,607	60,090
Grants in Advance	8	294,910	49,100
Employee Provisions	9	413,397	358,967
VLA Unused Funds	12	404,523	500,315
TOTAL CURRENT LIABILITIES		1,296,916	1,051,099
NON-CURRENT LIABILITIES			
Employee Provisions	9	62,279	42,733
TOTAL NON-CURRENT LIABILITIES		62,279	42,733
TOTAL LIABILITIES		1,359,195	1,093,832
NET ASSETS		601,286	565,996
EQUITY			
Retained Earnings		601,286	565,996
TOTAL EQUITY		601,286	565,996

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 2019**

	NOTE	2019 \$	2018 \$
RETAINED EARNINGS			
Opening Balance		565,996	529,154
Profit in the current year		35,290	36,842
Other Comprehensive Income		-	-
CLOSING BALANCE OF RETAINED EARNINGS		<u>601,286</u>	<u>565,996</u>
TOTAL EQUITY		<u><u>601,286</u></u>	<u><u>565,996</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 2019**

	NOTE	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Grants & Other Income		4,354,506	3,979,828
Payments to Suppliers and Employees		(4,111,633)	(4,023,218)
Interest Received		<u>36,359</u>	<u>33,505</u>
Net cash provided by Operating Activities	11(b)	<u>279,232</u>	<u>(9,885)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for fixed assets		<u>(31,678)</u>	<u>(22,607)</u>
Net cash used in Investing Activities		<u>(31,678)</u>	<u>(22,607)</u>
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Net cash provided by / (used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase in Cash Held		247,554	(32,492)
Cash at the beginning of the year		<u>325,297</u>	<u>357,789</u>
Cash at the end of the year	11(a)	<u><u>572,851</u></u>	<u><u>325,297</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 2019**

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 *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 2019

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 2019

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 2019

	2019	2018
	\$	\$
NOTE 2 - STATE, COMMONWEALTH AND OTHER FUNDING		
a) <i>Commonwealth Funding:</i>		
VLA Commonwealth Attorney General	830,708	818,724
VLA Commonwealth SACS ERO	96,628	80,860
	<u>927,336</u>	<u>899,584</u>
b) <i>State Funding:</i>		
Consumer Affairs Victoria	598,476	576,131
VLA State Attorney General	1,306,979	1,246,384
VLA State SACS ERO	251,812	206,356
	<u>2,157,267</u>	<u>2,028,871</u>
c) <i>VLA Unused Funds Transfer:</i>		
VLA Unused Funds Carried Forward from the Prior Year & Recognised in the Current Year	<u>95,792</u>	<u>(177,926)</u>
d) <i>Other Funding:</i>		
General Grants	587,816	467,746
Local Government	189,945	199,216
	<u>777,761</u>	<u>666,962</u>
 Total Grant Funding	 <u><u>3,958,156</u></u>	 <u><u>3,417,491</u></u>
NOTE 3 - OTHER INCOME		
Disbursements Reimbursed	6,249	4,733
Fundraising/Donations	3,953	2,656
Interest	36,359	33,505
Membership	125	210
Sundry Income	38,884	16,509
	<u>85,570</u>	<u>57,613</u>
NOTE 4 - OTHER ASSETS		
Rental Security Bonds	3,083	3,084
Prepayments	5,410	9,606
	<u>8,493</u>	<u>12,690</u>

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5 - FIXED ASSETS

Office Furniture & Fixtures at Cost	281,213	249,535
Provision for Depreciation (Office F&F)	(207,324)	(179,344)
	<u>73,889</u>	<u>70,191</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>73,889</u></u>	<u><u>70,191</u></u>

MOVEMENT IN THE CARRYING AMOUNTS OF FIXED ASSETS

Reconciliation of the Movement in Carrying Amounts

	Office Furniture & Fixtures	Leasehold Improvements	Total
	\$	\$	\$
Balance at the 1 July 2017	75,830	-	75,830
Additions at cost	22,607	-	22,607
Disposals (Net)	-	-	-
Depreciation expense	(28,246)	-	(28,246)
Carrying amount at 30 June 2018	<u>70,191</u>	<u>-</u>	<u>70,191</u>
Additions at cost	31,678	-	31,678
Disposals (Net)	-	-	-
Depreciation expense	(27,980)	-	(27,980)
Carrying amount at 30 June 2019	<u><u>73,889</u></u>	<u><u>-</u></u>	<u><u>73,889</u></u>

NOTE 6 - TRADE & OTHER PAYABLES

Trade Payables	33,737	16,892
GST Payable	78,329	54,466
Accrued Expenses	-	9,355
Other Payables	2,413	1,914
	<u>114,479</u>	<u>82,627</u>

NOTE 7 - PAYROLL LIABILITIES

Superannuation Payable	24,697	22,134
PAYG Payable	41,460	35,452
Other Payroll Liabilities	3,450	2,504
	<u>69,607</u>	<u>60,090</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019**

		2019 \$	2018 \$
NOTE 8 - GRANTS IN ADVANCE			
Department of Justice - Family Violence Duty Lawyer	i)	39,130	12,000
Department of Justice - Fines Clinic Pilot	ii)	52,560	11,100
Department of Justice – Health Justice Partnership Project	iii)	15,740	14,400
VLA - Streamline Fines Project	iv)	-	11,600
Integrated Services Fund	v)	80,770	-
City of Glen Eira GEMS Project	vi)	7,010	-
Streetsmart	vii)	2,450	-
Victorian Legal Services Board	viii)	97,250	-
		<u>294,910</u>	<u>49,100</u>

i) Department of Justice - Family Violence Duty Lawyer

In the 2018/19 year, further funding of \$82,625 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, and to increase family violence services in the Casey region.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. As at 1 July 2018, \$12,000 was carried forward and utilised in the 2018/19 year, and during the year \$55,491 of funding was utilised on the project. As a result, \$55,495 has been recognised in income in the 2018/19 year, and \$39,130 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 2018/19 year, further funding of \$97,250 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, and to increase the provision of fines services in the Casey region.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. As at 1 July 2018, \$11,100 was carried forward and utilised in the 2018/19 year, and during the year approximately \$55,786 of funding was utilised on the project. As a result, \$55,790 has been recognised in income in the 2018/19 year, and \$52,560 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 2019**

NOTE 8 - GRANTS IN ADVANCE (CONTINUED)

iii) Department of Justice – Health Justice Partnership Project

In the 2018/19 year, funding of \$51,125 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 1 July 2018, \$14,400 was carried forward and utilised in the 2018/19 year, and during the year \$49,776 of funding was utilised on the project. As a result, \$49,785 has been recognised in income in the 2018/19 year, and \$15,740 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 funding was to be used exclusively for the purpose as outlined in the funding application. Prior year carry forward funding of \$11,600 was utilised in the 2018/19 year. As at 30 June 2019, the remaining funding had been utilised under the project terms, and there are no further funds to carry forward.

v) Integrated Services Fund

In the 2018/19 year, funding of \$180,682 was received from the Integrated Services Fund, administered by the Federation Community Legal Centres, to be expended on the Tackling out-of-control Fines Project. This project aims to build on the Centre's fines clinic work with the provision of a pilot project. The pilot project is aimed at early intervention in seven selected postcodes in the South East, to improve access to legal services and reduce the quantum of fines and/or penalties incurred as a result of unpaid toll fines.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. During the 2018/19 year, \$99,909 of funding had been utilised on the project. As a result, \$99,912 has been recognised as income in the 2018/19 year, and \$80,770 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 2019**

NOTE 8 - GRANTS IN ADVANCE (CONTINUED)

vi) City of Glen Eira GEMS Project

In the 2018/19 year, funding of \$31,000 was received from the City Of Glen Eira, to be expended on the Glen Eira Mums Project. The project is to provide a legal service within a maternal child health setting to women, experiencing or at risk of experiencing family violence.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. As at 30 June 2019, approximately \$23,990 of funding had been utilised on the project. As a result, \$23,990 has been recognised as income in the 2018/19 year, and \$7,010 has been recorded as a liability in the Statement of Financial Position for unused project funds to be utilised in the subsequent year.

vii) Streetsmart – Supporting Private Rooming House Residents Project

In the 2018/19 year, funding of \$5,000 was received from Streetsmart, to be expended on the Supporting Private Rooming House Residents project. This project aims to support private rooming house residents with material aid to support and sustain their accommodation and improve their health and wellbeing.

The project funding is to be used exclusively for the purposes outlined in the funding agreement. During the 2018/19 year, \$2,550 of funding had been utilised on the project. As a result, \$2,550 has been recognised as income in the 2018/19 year, and \$2,450 has been recorded as a liability in the Statement of Financial Position for unused project funds to be utilised in the subsequent years.

viii) Victoria Legal Services Board – Unravelling the complex infringement system, Work and Development Permit Project

In the 2018/19, funding of \$125,000 was received from the Victorian Legal Services Board, to be expended on the Work and Development Permit Project. This project is for the provision of a project worker to undertake project activities to increase access to the Work and Development Permit Scheme for eligible consumers in the South East.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. During the 2018/19 year \$27,750 of funding had been utilised on the project. As a result, \$27,750 has been recognised as income in the 2018/19 year, and \$97,250 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 2019**

	2019	2018
	\$	\$
NOTE 9 - PROVISIONS		
<i>Current</i>		
Annual Leave	182,547	151,767
Annual Leave Loading	21,135	19,738
Long Service Leave	209,715	187,462
Redundancy	-	-
	<u>413,397</u>	<u>358,967</u>
<i>Non-Current</i>		
Long Service Leave	<u>62,279</u>	<u>42,733</u>

NOTE 10 - LEASING COMMITMENTS

Being for Rent of Office Premises

Operating lease commitments not capitalised in the accounts

Payable:

- not later than one year	219,299	195,033
- later than one year but not later than 5 years	445,177	388,905
	<u>664,476</u>	<u>583,938</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.

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 11 - CASH FLOW INFORMATION	2019	2018
	\$	\$
(a) RECONCILIATION OF CASH		
Cash on Hand	300	300
National Australia Bank - Cheque A/c	5,800	6,181
National Australia Bank - Business A/c	1,000	1,000
National Australia Bank - Cash Management A/c	565,751	317,816
	<u>572,851</u>	<u>325,297</u>
(b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET SURPLUS(DEFICIT)		
Operating Surplus / (Loss)	35,290	36,842
<i>Add/deduct non-cash items:</i>		
Depreciation	27,980	28,246
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in Debtors	(53,598)	(1,650)
(Increase)/Decrease in Prepayments	4,197	(4,380)
Increase/(Decrease) in Grants in Advance	245,810	(354,250)
Increase/(Decrease) in Unused VLA funds	(95,792)	177,926
Increase/(Decrease) in Trade Creditors & Accruals	41,369	12,075
Increase/(Decrease) in Accrued Revenue	-	23,665
Increase/(Decrease) in Provisions	73,976	71,641
Cash Flow From Operations	<u>279,232</u>	<u>(9,885)</u>

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 12 - VLA Unused Funds		
Allowable Surplus - SACS ERO grants	148,417	148,417
Allowable Surplus - VLA unused funds carried forward	256,106	301,879
Excess Surplus	-	50,019
	<u>404,523</u>	<u>500,315</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 2018/19 year, there was no additional funding provided by the VLA, so the balance remained at \$148,417 (2017/18 and 2016/17 \$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, the funding has not been recognised as income in the 2018/19 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 Association 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:

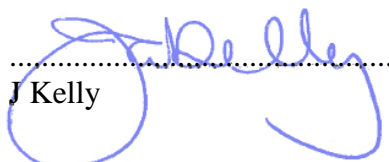
- a) the financial statements and notes of the Association are in accordance with the *Australian Charities and Not for Profits Commission Act 2012*, including:
 - i. Giving a true and fair view of its financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
 - ii. Are prepared in accordance with the Accounting Policies described in Note 1 to the financial statements and the requirements of the *Australian Charities and Not for Profits Commission Regulation 2013*; and
- b) There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

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

Chairperson


.....
T Pascal

Treasurer


.....
J Kelly

Dated this 8th day of August 2019

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 2019, 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 2019 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 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 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 2019, 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 *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 13th of August 2019



SHEPARD WEBSTER & O'NEILL AUDIT PTY LTD

Certified Practising Accountant

Authorised Audit Company No 415478

31 Beach Street Frankston 3199, PO Box 309 Frankston Victoria 3199

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

Email – szepfalusy@shepard.com.au



**DAVID A SZEPPALUSY
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 2019. 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 13th of August 2019

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

**APPENDIX 1 – DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

CONTINUING OPERATIONS	2019	2018
INCOME	\$	\$
VLA Commonwealth Attorney General	830,708	818,724
VLA Commonwealth SACS ERO	96,628	80,860
VLA State Attorney General	1,306,979	1,246,384
VLA State SACS ERO	251,812	206,356
VLA Family Advocacy and Support Services	124,800	171,550
VLA Streamline Fines Project	4,636	3,449
Consumer Affairs Victoria	598,476	576,131
City of Casey	30,000	33,456
Mornington Peninsula Shire Council	51,595	67,934
City of Kingston	37,374	36,286
City of Frankston	30,000	38,798
City of Glen Eira	64,966	71,742
DHHS	123,868	123,868
Federation of Community Legal Centre	99,912	-
StreetSmart Australia	2,550	-
Victorian Law Foundation	7,640	3,000
Victorian Legal Services Board	27,750	-
Department of Justice	172,670	116,879
Disbursements Reimbursed	6,249	4,733
Fundraising/Donations	3,953	2,656
Interest	36,359	33,505
Workcover Insurance Claims	-	-
Membership	125	210
Sundry Income	38,884	16,509
TOTAL INCOME	3,947,934	3,653,030
EXPENDITURE		
Salaries - Permanent staff	2,989,305	2,504,718
Salaries - Casual staff	-	1,611
Superannuation - Permanent staff	282,105	236,999
Superannuation - Casual staff	-	102
Workcover	7,644	10,979
Travel	32,774	26,749
Advertising	5,087	6,320
Amenities	16,858	16,071
Audit	8,672	8,100
Bank charges	1,388	1,244
Minor Equipment & Maintenance	47,659	34,026
CLE Expenses	6,145	9,664
Cleaning	25,955	23,299
Conferences	5,739	2,182
Contractors	49,613	49,031

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

**APPENDIX 1 – DETAILED INCOME STATEMENT (cont.)
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
EXPENDITURE (Continued)	\$	\$
Data Collection Upgrade	-	11,550
Disbursements	4,657	4,678
Donations	-	562
Electricity, gas and fuel	25,086	27,348
First Aid Certificates	1,667	1,611
Incorporation Fees	416	329
Insurance	19,288	11,014
Interpreter & Translation Services	3,129	90
Language Allowance	2,000	2,000
Library	17,575	13,789
License Fees	12,730	538
Management Fee	240	240
Memberships	2,731	4,053
National Name Check	759	3,565
PEXA Fees	534	-
Postage	5,583	8,276
Practicing certificates	6,778	5,245
Printing, Photocopying & Publication Costs	34,265	35,838
RAP Consultation	2,909	-
Rates	3,597	401
Rebranding	800	6,900
Rent	195,194	191,949
Stationery & Office Supplies	20,457	24,251
Security	2,561	1,526
Telephone & Internet	41,715	41,702
Training	7,943	9,825
Volunteer Expenses	12,372	-
Vouchers	2,550	-
Sub Total Direct Expenditure	3,906,480	3,338,375
TOTAL INCOME LESS DIRECT EXPENDITURE	41,454	314,655
INCREMENTS/(DECREMENTS) TO PROVISIONS & DEPRECIATION		
Annual Leave	(32,177)	(60,615)
Long Service Leave	(41,799)	(20,876)
Redundancy	-	9,850
Depreciation	(27,980)	(28,246)
VLA Unused Funds transfers	2 95,792	(177,926)
Sub Total Increments to Provisions & Depreciation	(6,164)	(277,813)
TOTAL EXPENDITURE	3,912,644	3,616,188
NET SURPLUS/(DEFICIT)	35,290	36,842