

# **Central Highlands Community Legal Centre Inc.**

**Financial Statements**

**For the Year Ended 30 June 2016**



**Central Highlands Community Legal Centre Inc.**

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**For the Year Ended 30 June 2016**

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Central Highlands Community Legal Centre Inc.

**Statement of Profit or Loss and Other Comprehensive Income**  
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
<b>CLSP</b>			
<b>Income</b>			
CLSP - Commonwealth		253,249	208,436
CLSP - FRC		-	60,667
CLSP - FVP		86,969	91,524
CLSP - State		188,362	192,727
Social & Community Services - Commonwealth		16,908	12,756
Social & Community Services - State		60,530	50,607
Interest income		3,137	2,738
Donations		621	901
Other income		12,212	5,425
		<u>621,988</u>	<u>625,781</u>
<b>Expenses</b>			
Communications		11,058	6,414
Depreciation		9,659	9,807
Finance, audit and accounting fees		9,248	6,674
Insurance		3,987	1,488
Library and subscriptions		6,488	9,360
Minor equipment		1,359	-
On costs		1,359	17,704
Other expenses		8,198	8,115
Other premises costs		9,575	10,699
Overheads		18,790	18,193
Programming and planning		-	5,183
Rent		39,113	38,309
Repairs and maintenance		2,761	3,622
Salaries		444,812	436,894
Recruitment costs		307	-
Staff training		8,636	5,220
Superannuation		41,426	41,556
Travel		5,212	6,543
		<u>621,988</u>	<u>625,781</u>
<b>Net Surplus/(Deficit) - CLSP</b>		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.



Central Highlands Community Legal Centre Inc.

**Statement of Profit or Loss and Other Comprehensive Income**  
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Other Projects</b>			
<b>Income</b>			
Project funds received		129,959	20,674
VOCAT		19,150	14,267
Other income		-	9,773
		<u>149,109</u>	<u>44,714</u>
<b>Expenses</b>			
Salaries		84,700	39,466
Other project expenses		28,391	2,679
		<u>113,091</u>	<u>42,145</u>
		<u>36,018</u>	<u>2,569</u>
<b>Deficit before income tax</b>		<b>36,018</b>	<b>2,569</b>
Income tax expense	2(a)	-	-
<b>Deficit for the year</b>		<b>36,018</b>	<b>2,569</b>
<b>Other comprehensive income, net of income tax</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>36,018</b>	<b>2,569</b>

The accompanying notes form part of these financial statements.





## Statement of Financial Position

30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	3	284,868	149,761
Trade and other receivables	4	4,462	31,825
Other assets	5	6,198	4,006
TOTAL CURRENT ASSETS		<u>295,528</u>	<u>185,592</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	28,173	38,029
TOTAL NON-CURRENT ASSETS		<u>28,173</u>	<u>38,029</u>
TOTAL ASSETS		<u>323,701</u>	<u>223,621</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	7	33,925	27,220
Employee benefits	8	62,501	54,437
Income in advance	9	147,132	99,563
TOTAL CURRENT LIABILITIES		<u>243,558</u>	<u>181,220</u>
NON-CURRENT LIABILITIES			
Employee benefits	8	7,423	5,699
TOTAL NON-CURRENT LIABILITIES		<u>7,423</u>	<u>5,699</u>
TOTAL LIABILITIES		<u>250,981</u>	<u>186,919</u>
NET ASSETS		<u>72,720</u>	<u>36,702</u>
<b>EQUITY</b>			
Retained earnings		<u>72,720</u>	<u>36,702</u>
TOTAL EQUITY		<u>72,720</u>	<u>36,702</u>



Central Highlands Community Legal Centre Inc.

**Statement of Changes in Equity**  
For the Year Ended 30 June 2016

2016

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2015	36,702	36,702
Deficit for the year	36,018	36,018
Balance at 30 June 2016	<u>72,720</u>	<u>72,720</u>

2015

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2014	34,133	34,133
Surplus for the year	2,569	2,569
Balance at 30 June 2015	<u>36,702</u>	<u>36,702</u>

The accompanying notes form part of these financial statements.



Central Highlands Community Legal Centre Inc.

**Statement of Cash Flows**  
For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	843,955	658,534
Payments to suppliers and employees	(711,985)	(646,987)
Interest received	3,137	2,738
Net cash provided by operating activities	<u>135,107</u>	<u>14,285</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase in cash and cash equivalents held	135,107	14,285
Cash and cash equivalents at beginning of year	149,761	135,476
Cash and cash equivalents at end of financial year	<u>284,868</u>	<u>149,761</u>

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements

For the Year Ended 30 June 2016

The financial report covers Central Highlands Community Legal Centre Inc. as an individual entity. Central Highlands Community Legal Centre Inc. is a not-for-profit Association domiciled in Australia.

### 1 Basis of Preparation

The financial statements are special purpose financial statements that have been prepared in accordance with the requirements of section 60.40 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

##### Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

##### Donations

Donations and bequests are recognised as revenue when received.

##### Interest revenue

Interest is recognised using the effective interest method.

#### (d) Goods and services tax (GST)

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





## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 2 Summary of Significant Accounting Policies continued

#### (d) Goods and services tax (GST) continued

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (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 impairment.

Items of plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Assets are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Depreciation

Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	10% - 25%
Leasehold improvements	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been



## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 2 Summary of Significant Accounting Policies continued

**(g) Employee benefits continued**

measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

**(h) Comparative amounts**

Comparatives are consistent with prior years, unless otherwise stated.

**(i) Economic dependency**

The Association is dependent on Victoria Legal Aid for the majority of its revenue used to operate the business. At the date of this report the Committee has no reason to believe that Victoria Legal Aid will not continue to support the Association over the next three years.

### 3 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	248	458
Bank balances	284,620	149,303
	<u>284,868</u>	<u>149,761</u>

### 4 Trade and Other Receivables

Trade receivables	2,150	30,576
GST receivable	1,209	-
Sundry receivables	1,103	1,249
	<u>4,462</u>	<u>31,825</u>

### 5 Other Assets

Prepayments	6,198	4,006
	<u>6,198</u>	<u>4,006</u>



**Notes to the Financial Statements**  
For the Year Ended 30 June 2016

**6 Property, plant and equipment**

	2016	2015
	\$	\$
Furniture and equipment		
At cost	57,831	108,569
Accumulated depreciation	(41,385)	(83,948)
	<u>16,446</u>	<u>24,621</u>
Leasehold improvements		
At cost	16,812	16,812
Accumulated depreciation	(5,085)	(3,404)
	<u>11,727</u>	<u>13,408</u>
Total plant and equipment	<u><u>28,173</u></u>	<u><u>38,029</u></u>

**(a) Movements in carrying amounts of property, plant and equipment**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

<b>Year ended 30 June 2016</b>			
Balance at the beginning of year	24,621	13,408	38,029
Depreciation expense	(8,175)	(1,681)	(9,856)
<b>Balance at the end of the year</b>	<u><u>16,446</u></u>	<u><u>11,727</u></u>	<u><u>28,173</u></u>

**7 Trade and Other Payables**

	2016	2015
	\$	\$
Trade payables	2,804	2,585
GST payable	-	22
Accrued payroll expenses	10,160	8,305
Accrued expenses	20,961	16,308
	<u>33,925</u>	<u>27,220</u>

**8 Employee Benefits**

Current liabilities		
Annual leave	30,318	33,972
Long service leave	32,183	20,465
	<u>62,501</u>	<u>54,437</u>
Non-current liabilities		
Long service leave	7,423	5,699



## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 9 Income in advance

	2016	2015
	\$	\$
CLSP funded programs	123,278	78,964
Health Justice program	23,854	20,599
	<u>147,132</u>	<u>99,563</u>

### 10 Capital and Leasing Commitments

#### Operating Leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	45,442	45,442
- between one year and five years	18,810	64,252
	<u>64,252</u>	<u>109,694</u>

Operating leases have been taken out for the premises located at 15 Dawson Street North and for a Cannon Photocopier. Lease payments in relation to the premises are increased on an annual basis to reflect market rentals.

### 11 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

	2016	2015
	\$	\$
Surplus/(deficit) for the year	36,018	2,569
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	9,856	10,027
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	28,426	(29,634)
- (increase)/decrease in other assets	(1,063)	(602)
- (increase)/decrease in prepayments	(2,192)	-
- increase/(decrease) in income in advance	47,569	20,411
- increase/(decrease) in trade and other payables	6,705	(4,073)
- increase/(decrease) in provisions	9,788	15,587
Cashflow from operations	<u>135,107</u>	<u>14,285</u>

### 12 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

### 13 Association Details

The registered office of the Association is:





**Central Highlands Community Legal Centre Inc.**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2016**

**13 Association Details continued**

Central Highlands Community Legal Centre Inc.  
15 Dawson Street North  
BALLARAT VIC 3350






**Central Highlands Community Legal Centre Inc.**

**Committee Declaration**

The committee declares that in their opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

 Vice-Chairperson   
~~Sonya McDonald~~  


Treasurer   
Scott Sherritt

Dated 16 November 2016



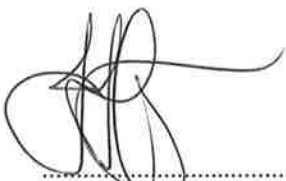
**Central Highlands Community Legal Centre Inc.**

**Auditors Independence Declaration under Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 to the Committee of the Central Highlands Community Legal Centre Inc.**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*PPT Audit Pty Ltd*  
PPT Audit Pty Ltd



Jason D. Hargreaves  
Director

20 Lydiard Street South, Ballarat

15 November 2016



## Central Highlands Community Legal Centre Inc.

# Independent Audit Report to the members of Central Highlands Community Legal Centre Inc.

We have audited the accompanying financial report, being a special purpose financial report of Central Highlands Community Legal Centre Inc., which comprises the statement of financial position as at 30 June 2016, 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 committee declaration.

### *Committee's Responsibility 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the needs of the members. The committee's responsibility also includes such internal control as the committee 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 have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committees, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional and ethical pronouncements and the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profit Commission Act 2012*, which has been given to the committee of Central Highlands Community Legal Centre Inc. would be on the same terms if given to the trustees as at the time of this audit report.





**Central Highlands Community Legal Centre Inc.**

**Independent Audit Report to the members of Central Highlands  
Community Legal Centre Inc.**

*Opinion*

In our opinion the financial report of Central Highlands Community Legal Centre Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

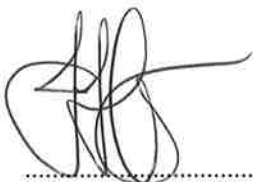
*Basis of Accounting*

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 committees' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

*Other Matter*

The financial report of Central Highlands Community Legal Centre Inc. for the year ended 30 June 2015 was audited by another auditor who expressed an unmodified opinion on the financial report on 16 November 2015.

*PPT Audit Pty Ltd*  
PPT Audit Pty Ltd



Jason D. Hargreaves  
Director

20 Lydiard Street South, Ballarat Vic 3350

17 November 2016

