

PENINSULA
COMMUNITY
LEGAL CENTRE

**AUDITED
FINANCIAL
STATEMENTS**

{2016}

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

**COMMITTEE'S REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

Your Committee members submit the financial report of Peninsula Community Legal Centre Inc for the financial year ended 30 June 2016.

Committee Members

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

- | | | |
|--------------------|---------------------|----------------------|
| Amanda Graham | - Chairperson | |
| Victoria Campbell | - Vice Chairperson | |
| Stephen Hopley | - Treasurer | (Appointed 10.11.15) |
| Travis Fewster | - Secretary | (Appointed 10.11.15) |
| Quinn McCormack | - General Committee | |
| Celestine Moon | - General Committee | |
| Benjamin Needleman | - General Committee | (Appointed 10.11.15) |
| Richard O'Donovan | - General Committee | |

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 \$19,346 (2015: \$9,823 profit).

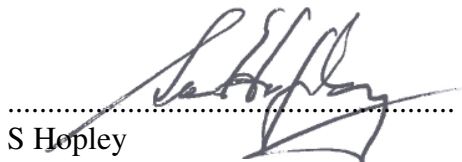
Signed in accordance with a resolution of the members of the Committee

Chairperson



.....
A Graham

Treasurer



.....
S Hopley

Dated this

18th day of August 2016

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
		\$	\$
CONTINUING OPERATIONS			
INCOME			
Grant Funding	2	2,474,961	2,212,246
Other Income	3	116,503	125,083
		<u>2,591,464</u>	<u>2,337,329</u>
EXPENSES			
Communication Expenses		(43,849)	(43,001)
Depreciation Expense		(68,692)	(70,392)
Employment Expenses		(2,040,019)	(1,811,140)
Finance Expenses		(9,008)	(10,939)
Occupancy Expenses		(180,718)	(182,310)
Office & Administrative Expenses		(141,836)	(138,134)
Repairs & Maintenance Expenses		(35,937)	(23,034)
Resources Expenses		(22,654)	(15,231)
Travel & Accommodation Expenses		(29,405)	(33,325)
		<u>(2,572,118)</u>	<u>(2,327,506)</u>
NET PROFIT		<u>19,346</u>	<u>9,823</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>19,346</u>	<u>9,823</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 2016**

	NOTE	2016	2015
		\$	\$
CURRENT ASSETS			
Cash at Bank and on Hand	12a	400,299	302,765
Receivables		339	226
Accrued Income		22,616	21,720
Term Deposit		800,000	650,000
Other Assets	4	11,239	10,873
TOTAL CURRENT ASSETS		<u>1,234,493</u>	<u>985,584</u>
NON-CURRENT ASSETS			
Fixed Assets	5	103,094	154,331
TOTAL NON-CURRENT ASSETS		<u>103,094</u>	<u>154,331</u>
TOTAL ASSETS		<u>1,337,587</u>	<u>1,139,915</u>
CURRENT LIABILITIES			
Trade and Other Payables	6	70,094	72,308
Payroll Liabilities	7	58,481	89,414
Grants in Advance	8	90,500	60,000
Employee Provisions	9	285,799	247,589
VLA Unused Funds	10	295,532	162,721
TOTAL CURRENT LIABILITIES		<u>800,406</u>	<u>632,032</u>
NON-CURRENT LIABILITIES			
Employee Provisions	9	38,001	28,049
TOTAL NON-CURRENT LIABILITIES		<u>38,001</u>	<u>28,049</u>
TOTAL LIABILITIES		<u>838,407</u>	<u>660,081</u>
NET ASSETS		<u>499,180</u>	<u>479,834</u>
EQUITY			
Retained Earnings		499,180	479,834
TOTAL EQUITY		<u>499,180</u>	<u>479,834</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 2016**

	NOTE	2016 \$	2015 \$
RETAINED EARNINGS			
Opening Balance		479,834	470,011
Profit in the current year		19,346	9,823
Other Comprehensive Income		-	-
CLOSING BALANCE OF RETAINED EARNINGS		<u>499,180</u>	<u>479,834</u>
TOTAL EQUITY		<u><u>499,180</u></u>	<u><u>479,834</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 2016**

	NOTE	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Grants & Other Income		2,900,748	2,576,790
Payments to Suppliers and Employees		(2,665,276)	(2,310,662)
Interest Received		29,517	27,077
Net cash provided by Operating Activities	12(b)	264,989	293,205
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for fixed assets		(17,455)	(7,531)
Investment in Term Deposits		(150,000)	(200,000)
Net cash used in Investing Activities		(167,455)	(207,531)
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Net cash provided by / (used in) Financing Activities		-	-
Net Increase in Cash Held		97,534	85,674
Cash at the beginning of the year		302,765	217,091
Cash at the end of the year	12(a)	400,299	302,765

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 2016

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 116	Property, Plant and Equipment
AASB 118	Revenue
AASB 136	Impairment of Assets
AASB 1031	Materiality
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 2016

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 2016

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 2016**

	2016	2015
	\$	\$
NOTE 2 - STATE, COMMONWEALTH AND OTHER FUNDING		
a) <i>Commonwealth Funding:</i>		
VLA Commonwealth Attorney General	740,100	686,044
VLA Commonwealth SACS ERO	49,412	34,732
	789,512	720,776
b) <i>State Funding:</i>		
Consumer Affairs Victoria	411,199	394,902
VLA State Attorney General	872,604	826,160
VLA State SACS ERO	134,228	91,176
	1,418,031	1,312,238
c) <i>VLA Unused Funds Transfer:</i>		
VLA Unused Funds Carried Forward from the Prior Year & Recognised in the Current Year	10 (75,199)	(30,424)
d) <i>Other Funding:</i>		
General Grants	150,434	20,000
Local Government	192,183	189,656
	342,617	209,656
Total Grant Funding	2,474,961	2,212,246
NOTE 3 - OTHER INCOME		
Disbursements Reimbursed	4,000	4,000
Fundraising/Donations	4,668	2,885
Interest	29,517	27,077
Membership	220	195
Workcover Insurance Claims	65,983	85,411
Sundry Income	12,115	5,515
	116,503	125,083
NOTE 4 - OTHER ASSETS		
Rental Security Bonds	2,944	2,944
Prepayments	8,295	7,929
	11,239	10,873

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
NOTE 5 - FIXED ASSETS		
Office Furniture & Fixtures at Cost	308,011	290,557
Provision for Depreciation (Office F&F)	(235,455)	(219,115)
	72,556	71,442
Leasehold Improvements at Cost	261,754	261,754
Provision for Depreciation (leasehold Improvements)	(231,216)	(178,865)
	30,538	82,889
Total Office Fixtures, Fittings & Leasehold Improvements	103,094	154,331

Reconciliation of the Movement in Carrying Amounts

	Office Furniture & Fixtures	Leasehold Improvements	Total
	\$	\$	\$
Balance at the 1 July 2014	81,952	135,240	217,192
Additions at cost	7,531	-	7,531
Disposals	-	-	-
Depreciation expense	(18,041)	(52,351)	(70,392)
Carrying amount at 30 June 2015	71,442	82,889	154,331
Additions at cost	17,455	-	17,455
Disposals	-	-	-
Depreciation expense	(16,341)	(52,351)	(68,692)
Carrying amount at 30 June 2016	72,556	30,538	103,094

NOTE 6 - TRADE & OTHER PAYABLES

Trade Payables	22,040	28,919
GST Payable	46,058	41,631
Other Payables	1,996	1,758
	70,094	72,308

NOTE 7 - PAYROLL LIABILITIES

Accrued Wages	-	51,075
Superannuation Payable	23,840	14,474
PAYG Payable	29,925	19,522
Other Payroll Liabilities	4,716	4,343
	58,481	89,414

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 8 - GRANTS IN ADVANCE	2016	2015
	\$	\$
Trustees of Phyllis Connor Memorial Trust	i) 52,450	60,000
Department of Justice - Family Violence	ii) 16,550	-
Department of Justice - Fines Clinic Pilot	iii) 21,500	-
	90,500	60,000

i) Trustees of Phyllis Connor Memorial Trust

In the 2015/16 year, the second year of funding totalling \$80,000 was received from the Trustees of Phyllis Connor Memorial Trust, Mr Norman Bourke and Equity Trustees. The project aims to improve client outcomes through providing integrated and collaborative services which deal with the legal problem(s) and better identify and address non-legal matters.

The funding is to be used exclusively for the purpose as outlined in the funding application. Prior year carry forward funding of \$60,000 was utilised in the 2015/16 year. As at 30 June 2016, approximately \$87,500 had been utilised on the project, and accordingly, \$52,450 has been carried forward to be utilised in the subsequent financial year. As a result, \$87,550 has been recognised in income in the 2015/16 year, and \$52,450 has been recorded as a liability in the Statement of Financial Position for unused project funds.

ii) Department of Justice - Family Violence

In the 2015/16 year, funding of \$52,174 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 30 June 2016, approximately \$35,600 had been utilised on the project, and accordingly, \$16,500 has been carried forward to be utilised in the subsequent financial year. As a result, \$35,624 has been recognised in income in the 2015/16 year, and \$16,550 has been recorded as a liability in the Statement of Financial Position for unused project funds.

iii) Department of Justice - Fines Clinic Pilot

In the 2015/16 year, 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 30 June 2016, approximately \$23,500 had been utilised on the project, and accordingly, \$21,500 has been carried forward to be utilised in the subsequent financial year. As a result, \$23,500 has been recognised in income in the 2015/16 year, and \$21,500 has been recorded as a liability in the Statement of Financial Position for unused project funds.

PENINSULA COMMUNITY LEGAL CENTRE INC.
REGISTERED NO: A8T

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
NOTE 9 - PROVISIONS		
<i>Current</i>		
Annual Leave	106,170	75,821
Annual Leave Loading	13,393	11,320
Long Service Leave	166,236	160,448
	<u>285,799</u>	<u>247,589</u>
<i>Non-Current</i>		
Long Service Leave	<u>38,001</u>	<u>28,049</u>

NOTE 10 - VLA Unused Funds

Allowable Surplus - VLA unused funds carried forward	147,115	71,916
Allowable Surplus - SACS ERO grants	148,417	90,805
Excess Surplus	-	-
	<u>295,532</u>	<u>162,721</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 2015/16 year, additional funding of \$57,612 (2014/15: \$47,561, 2013/14: \$32,341, 2012/13: \$10,904) was provided by the VLA. 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. Whilst this funding was received in the 2015/16 year, it 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 2015/16 financial statements.

NOTE 11 - LEASING COMMITMENTS

Being for Rent of Office Premises

Operating lease commitments not capitalised in the accounts

Payable:

- not later than one year	105,050	160,910
- later than one year but not later than 5 years	82,965	160,863
	<u>188,015</u>	<u>321,773</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 2016

	2016	2015
	\$	\$
NOTE 12 - CASH FLOW INFORMATION		
(a) RECONCILIATION OF CASH		
Cash on Hand	350	350
National Australia Bank - Cheque A/c	12,136	8,358
National Australia Bank - Cash Management A/c	387,813	294,057
	<u>400,299</u>	<u>302,765</u>
(b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET SURPLUS(DEFICIT)		
Operating Surplus / (Loss)	19,346	9,823
<i>Add/deduct non-cash items:</i>		
Depreciation	68,692	70,392
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in Debtors	(113)	2,045
(Increase)/Decrease in Prepayments	(366)	(900)
Increase/(Decrease) in Grants in Advance	30,500	60,000
Increase/(Decrease) in Unused VLA funds	132,811	77,984
Increase/(Decrease) in Trade Creditors & Accruals	(33,147)	27,777
Increase/(Decrease) in Accrued Revenue	(896)	(647)
Increase/(Decrease) in Provisions	48,162	46,731
Cash Flow From Operations	<u>264,989</u>	<u>293,205</u>

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 2016 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 
A Graham

Treasurer 
S Hopley

Dated this 18th day of August 2016

PENINSULA COMMUNITY LEGAL CENTRE INC.
Reg. No.A8T

INDEPENDENT AUDIT REPORT TO THE MEMBERS

We have audited the accompanying financial report, being a special purpose financial report, of the Peninsula Community Legal Centre Inc (the association), 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 statement by members of the Committee.

Committee's Responsibility for the Financial Report

The Committee of the Peninsula Community Legal Centre Inc are responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 (Victoria) and the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The Committee' responsibility also includes such internal control as the Committee determine is necessary to enable the preparation of a financial report that 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 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 judgment, 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 Committee, 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.

PENINSULA COMMUNITY LEGAL CENTRE INC.
Reg. No.A8T

INDEPENDENT AUDIT REPORT TO THE MEMBERS (CONTINUED)

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Peninsula Community Legal Centre Inc as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Reform Act 2012 (Victoria) and the Australian Charities and Not-for-profits Commission Act 2012.

Basis of Accounting and Restriction on Distribution

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 to assist the Peninsula Community Legal Centre Inc to meet the requirements of the Associations Incorporation Reform Act 2015 (Victoria) and the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

Dated at Frankston on the 22nd day of August 2016



SHEPARD WEBSTER & O'NEILL AUDIT PTY LTD

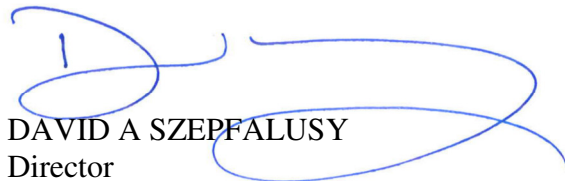
Certified Practising Accountant

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 SZEPPALUSY
Director

AUDITOR'S DISCLAIMER

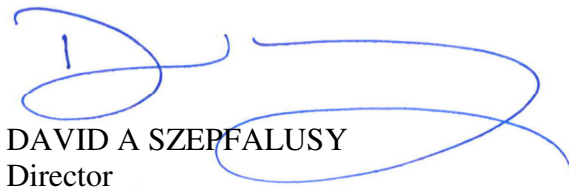
TO THE MANAGEMENT COMMITTEE
Peninsula Community Legal Centre Inc
REGISTERED NO: A8T

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 2016. 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.

Dated at Frankston on the 22nd day of August 2016



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 SZEPFALUSY
Director

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

**APPENDIX 1 – DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

CONTINUING OPERATIONS	2016	2015
INCOME	\$	\$
VLA Commonwealth Attorney General	740,100	686,044
VLA Commonwealth SACS ERO	49,412	34,732
VLA State Attorney General	872,604	826,160
VLA State SACS ERO	134,228	91,176
Consumer Affairs Victoria	411,199	394,902
City of Casey	32,000	31,754
Mornington Peninsula Shire Council	48,716	47,528
City of Kingston	37,963	33,207
City of Frankston	38,798	38,798
City of Glen Eira	38,466	38,369
Phyllis Connor Memorial Trust Project	87,550	20,000
Department of Justice	59,124	-
Disbursements Reimbursed	4,000	4,000
Fundraising/Donations	4,668	2,885
Interest	29,517	27,077
Workcover Insurance Claims	65,983	85,411
Membership	220	195
Sundry Income	12,115	5,515
TOTAL INCOME	2,666,663	2,367,753
EXPENDITURE		
Salaries - Permanent staff	1,805,727	1,590,432
Salaries - Casual staff	3,282	16,377
Superannuation - Permanent staff	169,106	145,038
Superannuation - Casual staff	312	1,327
Workcover	4,923	7,634
Travel	29,405	33,325
Advertising	2,135	1,015
Amenities	11,639	13,893
Audit	7,845	8,580
Bank charges	928	411
Minor Equipment & Maintenance	39,183	23,862
CLE Expenses	4,666	4,466
Cleaning	23,946	23,673
Conferences	4,017	2,332
Contractors	42,963	43,487

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

**APPENDIX 1 – DETAILED INCOME STATEMENT (cont.)
FOR THE YEAR ENDED 30 JUNE 2016**

EXPENDITURE (Continued)	2016	2015
	\$	\$
Allowances	26	-
Disbursements	4,727	2,657
Donations	750	100
Electricity, gas and fuel	22,463	25,873
First Aid Certificates	1,523	743
Incorporation Fees	235	212
Insurance	10,118	11,684
Language Allowance	1,000	1,000
Legal & Accounting Fees	-	1,736
Library	11,517	8,886
Memberships	2,279	1,615
National Name Check	265	82
Postage	6,245	4,097
Practicing certificates	5,612	3,902
Printing, Photocopying & Publication Costs	31,851	35,034
Rates	3,180	2,986
Rent	128,483	126,651
Stationery & Office Supplies	18,523	16,226
Security	2,646	3,127
Telephone & Internet	43,849	43,001
Training	9,894	4,919
Sub Total Direct Expenditure	<u>2,455,263</u>	<u>2,210,383</u>
TOTAL INCOME LESS DIRECT EXPENDITURE	<u>211,400</u>	<u>157,370</u>
INCREMENTS/(DECREMENTS) TO PROVISIONS & DEPRECIATION		
Annual Leave	(32,423)	(30,800)
Long Service Leave	(15,740)	(15,931)
Depreciation	(68,692)	(70,392)
VLA Unused Funds transfers	2 (75,199)	(30,424)
Sub Total Increments to Provisions & Depreciation	<u>(192,054)</u>	<u>(147,547)</u>
TOTAL EXPENDITURE	<u>2,647,317</u>	<u>2,357,930</u>
NET SURPLUS/(DEFICIT)	<u>19,346</u>	<u>9,823</u>