



**AUDITED  
FINANCIAL  
STATEMENTS  
2020**



Peninsula  
Community  
Legal Centre

# **Peninsula Community Legal Centre Inc.**

Registered No: A8T

## **Financial Report**

For the Year Ended 30 June 2020

# Peninsula Community Legal Centre Inc.

Registered No: A8T

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For the Year Ended 30 June 2020

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# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Committee's Report For the Year Ended 30 June 2020

Your Committee members submit the financial report of Peninsula Community Legal Centre Inc for the financial year ended 30 June 2020.

### Committee Members

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

Thierry Pascal	- Chairperson
Paul Hodgman	- Vice Chair
Lisa Bremner	- Treasurer
Liz Lor	- Secretary
Phillip Carr	- General Committee
Samuel Ellemor	- General Committee
Luke Denham	- General Committee
Matthew Bolle	- General Committee (Appointed 12.10.19)
Eliza Collister	- General Committee (Appointed 13.02.20)

### 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

COVID-19: Access to the Association was significantly impacted by Victoria Government order issued on the 23<sup>rd</sup> of March 2020 and 6<sup>th</sup> of August 2020 as part of the measures to reduce the spread of COVID-19.

Revenue may be impacted until COVID-19 is brought completely under control and restrictions eased.


Other than the above, there were no significant changes in the state of affairs of the Association other than those referred to in the accounts and notes thereto.

### Operating Result


The operating profit after providing for income tax amounted to \$296,523 (2019: \$35,290 profit).

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

Chairperson

  
.....  
T Pascal

Treasurer

  
.....  
L Bremner

Dated this 2<sup>nd</sup> day of September 2020

### 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 2020, 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 Mount Martha this 2<sup>nd</sup> day of September 2020



Shepard Webster & O'Neill Audit Pty Ltd  
Certified Practising Accountant  
Authorised Audit Company No 415478  
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David A Szepfalusy  
Director

# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
		\$	\$
<b>Continuing Operations</b>			
<b>Income</b>			
Grant Funding	2	4,910,587	3,958,156
Other Income	3	83,417	85,570
		<b>4,994,004</b>	<b>4,043,726</b>
<b>Expenses</b>			
Communication Expenses		(41,400)	(41,715)
Depreciation Expense		(68,904)	(27,980)
Employment Expenses		(3,879,889)	(3,359,435)
Finance Expenses		(13,705)	(11,010)
Occupancy Expenses		(262,182)	(252,633)
Office & Administrative Expenses		(306,326)	(205,017)
Repairs & Maintenance Expenses		(48,538)	(41,750)
Resources Expenses		(42,768)	(36,122)
Travel & Accommodation Expenses		(33,769)	(32,774)
		<b>(4,697,481)</b>	<b>(4,008,436)</b>
<b>Net Profit</b>		<b>296,523</b>	<b>35,290</b>
<b>Other Comprehensive Income</b>			
- 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		-	-
<b>Total Comprehensive Income</b>		<b>296,523</b>	<b>35,290</b>

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 2020

	Note	2020 \$	2019 \$
<b>Current Assets</b>			
Cash at Bank and on Hand	11a	682,243	572,851
Receivables		158,804	55,248
Investments - Term Deposit		1,000,000	1,250,000
Other Assets	4	4,009	8,493
<b>Total Current Assets</b>		<b>1,845,056</b>	<b>1,886,592</b>
<b>Non-Current Assets</b>			
Fixed Assets	5	230,171	73,889
<b>Total Non-Current Assets</b>		<b>230,171</b>	<b>73,889</b>
<b>Total Assets</b>		<b>2,075,227</b>	<b>1,960,481</b>
<b>Current Liabilities</b>			
Trade and Other Payables	6	98,137	114,479
Payroll Liabilities	7	186,770	69,607
Grants in Advance	8	285,500	294,910
Employee Provisions	9	505,643	413,397
VLA Unused Funds	12	75,435	404,523
<b>Total Current Liabilities</b>		<b>1,151,485</b>	<b>1,296,916</b>
<b>Non-Current Liabilities</b>			
Employee Provisions	9	25,933	62,279
<b>Total Non-Current Liabilities</b>		<b>25,933</b>	<b>62,279</b>
<b>Total Liabilities</b>		<b>1,177,418</b>	<b>1,359,195</b>
<b>Nets Assets</b>		<b>897,809</b>	<b>601,286</b>
<b>Equity</b>			
Retained Earnings		897,809	601,286
<b>Total Equity</b>		<b>897,809</b>	<b>601,286</b>

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 2020

	Note	2020 \$	2019 \$
<b>Retained Earnings</b>			
Opening Balance		601,286	565,996
Profit in the current year		296,523	35,290
Other Comprehensive Income		-	-
<b>Closing Balance of Retained Earnings</b>		<u>897,809</u>	<u>601,286</u>
<b>Total Equity</b>		<u>897,809</u>	<u>601,286</u>

The Accompanying Notes Form Part of These Financial Statement



# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Cash Flows form Operating Activities</b>			
Receipts from Grants & Other Income		5,367,461	4,354,506
Payments to Suppliers and Employees		(5,303,235)	(4,111,633)
Interest Received		20,352	36,359
<b>Net cash provided by Operating Activities</b>	11(b)	<u>84,578</u>	<u>279,232</u>
 <b>Cash Flows from Investing Activities</b>			
Payment for fixed assets		<u>(225,186)</u>	<u>(31,678)</u>
<b>Net cash Provided by / (used in) Investing Activities</b>		<u>24,814</u>	<u>(31,678)</u>
 <b>Cash Flows from Financing Activities</b>			
<b>Net cash provided by / (used in) Financing Activities</b>		<u>-</u>	<u>-</u>
 Net Increase in Cash Held		109,392	247,554
Cash at the beginning of the year		572,851	325,297
<b>Cash at the end of the year</b>	11(a)	<u>682,243</u>	<u>572,851</u>

The Accompanying Notes Form Part of These Financial Statements

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies

#### Basis of Accounting

##### **Financial Reporting Framework**

The Committee have prepared the financial statements on the basis that the Entity is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the Committee have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

##### **Statement of Compliance**

The financial report has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048: *Interpretations of Standards* and AASB 1054: *Australian Additional Disclosures*, as appropriate for not-for-profit oriented entities.

The Association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

##### **New or Amended Accounting Standards and Interpretations Adopted**

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, with the exception of the following, where these financial statements do not comply with the recognition and measurement requirements in these standards:

- AASB 15 Revenue from contracts with customers & AASB 1058 Income of not-for-profit entities
- AASB 16 Leases

The material accounting policies adopted in the special purpose financial statements are set out in respective notes below, and indicate how the recognition and measurement requirements in Australian Accounting Standards have not been complied with.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

##### **Basis of Preparation**

The financial statements have been prepared on an accrual basis and are based on historical costs. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

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

#### **(a) Comparative Figures**

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

# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (Continued)

#### (b) Taxation

The Association is exempt under Division 50 of the Income Tax Assessment Act 1997 as a non-profit organisation. As such, no allowance has been made for Income Tax.

#### (c) Cash and Cash Equivalents

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

#### (d) Property, Plant and Equipment (PPE)

##### Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

##### Leasehold Improvements

Leasehold improvements is 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.

##### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Office, Furniture & Equipment	[10 - 33%]
Leasehold Improvements	[20 - 50%]

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in results from Continuing Operations in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (Continued)

#### (e) Impairment of Assets

At the end of each reporting period, the Entity 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, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in results from Continuing Operations.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset. Where it is not possible to estimate the recoverable amount of a class of asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

#### (f) Trade and Other Receivables

Accounts receivable and other debtors include amounts due from customers and any outstanding grant receipts. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

#### (g) Revenue and Other Income

All grant income has been deferred upon receipt, and not recognised as revenue until the related expenses are incurred, without assessing whether enforceable performance obligations exist. This does not comply with AASB 15 Revenue from Contracts with Customers, or AASB 1058 income of Not-for-profit Entities

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).

#### (h) 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 assets and liabilities statement.

#### (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.

# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (Continued)

#### (j) 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.

Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Entity obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of accounts payable and other payables in the statement of financial position.

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

#### (k) Provisions

Provisions are recognised when the Association 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 are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (l) Leases

Payment for the lease or rental of fixed assets where substantially all of the risks and rewards of ownership of the asset remain with the lessor, are expensed when incurred (and the asset is not recognised on the balance sheet). The contractual commitment for the use of this type of asset (generally a rental or lease agreement) is not recognised as a liability. As such, recognition and measurement requirements of AASB 16 Leases are not complied with.

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) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (Continued)

#### (n) Critical Accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

##### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

##### *Estimation of useful lives of assets*

The incorporated Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

##### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The incorporated Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the incorporated Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

##### *Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 \$	2019 \$
<b>2 State, Commonwealth and Other Funding</b>		
a) <i>Commonwealth Funding:</i>		
VLA Commonwealth Attorney General	942,004	830,708
VLA Commonwealth SACS ERO	126,096	96,628
	<u>1,068,100</u>	<u>927,336</u>
b) <i>State Funding:</i>		
Consumer Affairs Victoria	627,249	598,476
VLA State Attorney General	1,299,124	1,306,979
VLA State SACS ERO	328,036	251,812
	<u>2,254,409</u>	<u>2,157,267</u>
c) <i>VLA Unused Funds Transfer:</i>		
VLA Unused Funds Carried Forward from the Prior Year & Recognised in the Current Year	<u>329,088</u>	<u>95,792</u>
d) <i>Other Funding:</i>		
General Grants	1,062,968	587,816
Local Government	196,022	189,945
	<u>1,258,990</u>	<u>777,761</u>
Total Grant Funding	<u>4,910,587</u>	<u>3,958,156</u>
<b>3 Other Income</b>		
Disbursements Reimbursed	4,320	6,249
Fundraising/Donations	23,156	3,953
Interest	20,352	36,359
Membership	150	125
Sundry Income	35,439	38,884
	<u>83,417</u>	<u>85,570</u>
<b>4 Other Assets</b>		
Rental Security Bonds	3,083	3,083
Prepayments	926	5,410
	<u>4,009</u>	<u>8,493</u>
<b>5 Fixed Assets</b>		
Office Furniture & Fixtures at Cost	334,124	281,213
Provision for Depreciation (Office F&F)	(240,337)	(207,324)
	<u>93,787</u>	<u>73,889</u>
Leasehold Improvements at Cost	434,029	261,754
Provision for Depreciation (Leasehold Improvements)	(297,645)	(261,754)
	<u>136,384</u>	<u>-</u>
Total Office Fixtures, Fittings & Leasehold Improvements	<u>230,171</u>	<u>73,889</u>

# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 5 Fixed Assets (Continued)

#### Reconciliation of the Movement in Carrying Amounts

	Office Furniture & Fixtures	Leasehold Improvements	Total
	\$	\$	\$
<b>Balance at the 1 July 2018</b>	70,191	-	70,191
Additions at cost	31,678	-	31,678
Disposals (Net)	-	-	-
Depreciation expense	(27,980)	-	(27,980)
<b>Carrying amount at 30 June 2019</b>	<b>73,889</b>	<b>-</b>	<b>73,889</b>
Additions at cost	52,911	172,275	225,186
Disposals (Net)	-	-	-
Depreciation expense	(33,013)	(35,891)	(68,904)
<b>Carrying amount at 30 June 2020</b>	<b>93,787</b>	<b>136,384</b>	<b>230,171</b>

	2020	2019
	\$	\$
<b>6 Trade and Other Payables</b>		
Trade Payables	17,195	33,737
GST Payable	79,764	78,329
Other Payables	1,178	2,413
	<u>98,137</u>	<u>114,479</u>
<b>7 Payroll Liabilities</b>		
Accrued Wages	110,804	-
Superannuation Payable	-	24,697
PAYG Payable	53,120	41,460
Other Payroll Liabilities	22,846	3,450
	<u>186,770</u>	<u>69,607</u>
<b>8 Grants in Advance</b>		
Gandel Philanthropic Management Ltd	i) 110,000	-
Ecstra Foundation	ii) 38,000	-
Victorian Legal Services Board	iii) 120,000	97,250
City of Glen Eira GEMS Project	iv) 13,000	7,010
Department of Justice - Family Violence Duty Lawyer	v) -	39,130
Department of Justice - Fines Clinic Pilot	vi) -	52,560
Department of Justice - Health Justice Partnership Project	vii) -	15,740
Integrated Services Fund	viii) -	80,770
Other - minor projects	4,500	2,450
	<u>285,500</u>	<u>294,910</u>

#### i) Gandel Philanthropic Management Ltd

In the 2019/20 year, funding of \$215,123 was received from Gandel Philanthropic Management Ltd, to be expended on the Street Law Coffee Van project. This project is run in partnership with Whitelion Youth Agency Ltd and their sub-contractor Social Engine Australia. Peninsula Community Legal Centre is the auspice organisation responsible for the financial and project management. The program is the operation of a coffee van staffed by a lawyer, community engagement officer, youth worker and barista, to visit isolated and disengaged communities on the Mornington Peninsula and the City of Casey.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. During the 2019/20 year \$105,123 of funding had been utilised on the project. As a result, \$105,123 has been recognised as income in the 2019/20 year, and \$110,000 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 the Financial Statements

For the Year Ended 30 June 2020

### 8 Grants in Advance (Continued)

#### *ii) Ecstra Foundation*

In the 2019/20 year, funding of \$42,000 was received from the Ecstra Foundation, to be expended on the Rooming House Outreach Program. This project is for the provision of a project worker to increase our visits to private rooming houses in the region in response to COVID-19, providing tenancy advice, support, services, COVID-19 public health information, and referral pathways and linkages.

The program funding is to be used exclusively for the purposes outlined in the funding agreement. During the 2019/20 year \$4,000 of funding had been utilised on the project. As a result, \$4,000 has been recognised as income in the 2019/20 year, and \$38,000 has been recorded as a liability in the Statement of Financial Position for unused project funds to be utilised in the subsequent year.

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

In the 2019/20 year, funding for the second year 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. As at 1 July 2019, \$97,250 was carried forward and utilised in the 2019/20 year, and during the year \$102,250 of funding was utilised on the project. As a result, \$102,250 has been recognised in income in the 2019/20 year, and \$120,000 has been recorded as a liability in the Statement of Financial Position for unused project funds to be utilised in the subsequent year.

#### *iv) City of Glen Eira GEMS Project*

In the 2019/20 year, funding of \$31,930 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 1 July 2019, \$7,010 was carried forward and utilised in the 2019/20 year, and during the year \$25,940 of funding was utilised on the project. As a result, \$25,940 has been recognised in income in the 2019/20 year, and \$13,000 has been recorded as a liability in the Statement of Financial Position for unused project funds to be utilised in the subsequent year.

#### *v) Department of Justice - Family Violence 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. Prior year carry forward funding of \$39,130 was utilised in the 2019/20 year. As at 30 June 2020, the remaining funding had been utilised under the project terms, and there are no further funds to carry forward.

# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Notes to the Financial Statements

For the Year Ended 30 June 2020

### 8 Grants in Advance (Continued)

#### *vi) 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. Prior year carry forward funding of \$52,560 was utilised in the 2019/20 year. As at 30 June 2020, the remaining funding had been utilised under the project terms, and there are no further funds to carry forward.

#### *vii) 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. Prior year carry forward funding of \$15,740 was utilised in the 2019/20 year. As at 30 June 2020, the remaining funding had been utilised under the project terms, and there are no further funds to carry forward.

#### *viii) 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 was to be used exclusively for the purposes outlined in the funding agreement. Prior year carry forward funding of \$80,770 was utilised in the 2019/20 year. As at 30 June 2020, the remaining funding had been utilised under the project terms, and there are no further funds to carry forward.

9	Provisions	2020	2019
	<b>Current</b>	<b>\$</b>	<b>\$</b>
	Annual Leave	222,661	182,547
	Annual Leave Loading	23,754	21,135
	Long Service Leave	259,228	209,715
		<u>505,643</u>	<u>413,397</u>
	<b>Non-Current</b>		
	Long Service Leave	<u>25,933</u>	<u>62,279</u>

# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Notes to the Financial Statements

For the Year Ended 30 June 2020

<b>10</b>	<b>Leasing Commitments</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
	<b>Being for Rent of Office Premises &amp; Licence Fees</b>		
	Operating lease commitments neither capitalised in the accounts nor treated as ROU assets and lease liabilities:		
	Payable:		
	- not later than one year	240,688	219,299
	- later than one year but not later than 5 years	238,269	445,177
		<u>478,957</u>	<u>664,476</u>
	The Association have entered into a number of leases to rent premises as well as one lease for a photocopier, and a cloud based licence program. 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.		
	As leases have not been prepared following accounting standards measurement and recognition, they remain 'off-balance sheet' and are consequently disclosed in this note as a commitment.		
<b>11</b>	<b>Cash Flow Information</b>		
	<b>(a) Reconciliation of Cash</b>		
	Cash on Hand	500	300
	Cash at Bank	681,743	572,551
		<u>682,243</u>	<u>572,851</u>
	<b>(b) Reconciliation of Cash Flows form Operations</b>		
	<b>With Net Surplus(Deficit)</b>		
	Operating Surplus / (Loss)	296,523	35,290
	<i>Add/deduct non-cash items:</i>		
	Depreciation	68,904	27,980
	<i>Changes in assets and liabilities</i>		
	(Increase)/Decrease in Debtors	(103,556)	(53,598)
	(Increase)/Decrease in Prepayments	4,484	4,197
	Increase/(Decrease) in Grants in Advance	(9,410)	245,810
	Increase/(Decrease) in Unused VLA funds	(329,088)	(95,792)
	Increase/(Decrease) in Trade Creditors & Accruals	100,821	41,369
	Increase/(Decrease) in Provisions	55,900	73,976
	Cash Flow From Operations	<u>84,578</u>	<u>279,232</u>
<b>12</b>	<b>VLA Unused Funds</b>		
	Allowable Surplus - SACS ERO grants	-	148,417
	Allowable Surplus - VLA unused funds carried forward	75,435	256,106
	Excess Surplus	-	-
		<u>75,435</u>	<u>404,523</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 2019/20, the remaining unused funds to be carried forward as an allowable surplus was \$75,435.

In the 2019/20 year, there was no additional SACS ERO funding provided by the VLA, however this year approval was granted to use these funds towards capital projects. Consequently \$148,417 was recognised in income.

# Peninsula Community Legal Centre Inc.

Registered No: A8T

## Notes to the Financial Statements For the Year Ended 30 June 2020

### **13 Events Subsequent to Balance Date**

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not yet quantifiable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

### **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

## Committee's Statement For the Year Ended 30 June 2020

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

  
.....  
L Bremner

Dated this <sup>2nd</sup> day of September 2020

**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 2020, 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 2020 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.

**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 2020, 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.

**Independent Audit Report (Continued)  
to the Members of  
Peninsula Community Legal Centre Inc..  
Reg. No.A8T**

**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.

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.

Dated at Mount Martha on the 2<sup>nd</sup> of September 2020



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  
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David A Szepfalusy  
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 2020. 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 Szepefalussy  
Director

Dated at Mount Martha on the 2<sup>nd</sup> of September 2020



## Appendix A

### Peninsula Community Legal Centre Inc.

Registered No: A8T

### Detailed Income Statement For the Year Ended 30 June 2020

Continuing Operations	2020	2019
<b>Income</b>	<b>\$</b>	<b>\$</b>
VLA Commonwealth Attorney General	942,004	830,708
VLA Commonwealth SACS ERO	126,096	96,628
VLA State Attorney General	1,299,124	1,306,979
VLA State SACS ERO	328,036	251,812
VLA Family Advocacy and Support Services	127,296	124,800
VLA Streamline Fines Project	-	4,636
VLA Family Violence Project	133,834	-
VLA COVID-19 Frontline	146,500	-
Consumer Affairs Victoria	627,249	598,476
City of Casey	32,750	30,000
Mornington Peninsula Shire Council	82,678	51,595
City of Kingston	38,496	37,374
City of Frankston	30,000	30,000
City of Glen Eira	70,038	64,966
ATO Cash boost	50,000	-
DHHS	125,000	123,868
Gandel Philanthropic Management Ltd	105,123	-
Ecstra Foundation	4,000	-
Federation of Community Legal Centre	80,770	99,912
StreetSmart Australia	7,450	2,550
Victorian Law Foundation	-	7,640
Victorian Legal Services Board	102,250	27,750
Department of Justice	122,805	172,670
Disbursements Reimbursed	4,320	6,249
Fundraising/Donations	23,156	3,953
Interest	20,352	36,359
Membership	150	125
Sundry Income	35,439	38,884
<b>Total Income</b>	<b>4,664,916</b>	<b>3,947,934</b>
<b>Expenditure</b>		
Salaries - Permanent staff	3,405,800	2,989,305
Salaries - Casual staff	28,128	-
Superannuation - Permanent staff	323,351	282,105
Superannuation - Casual staff	2,672	-
Workcover	14,230	7,644
Travel	33,769	32,774
Advertising	2,992	5,087
Amenities	13,304	16,858
Audit	8,100	8,672
Bank charges	1,182	1,388
Minor Equipment & Maintenance	62,426	47,659
CLE Expenses	3,786	6,145
Cleaning	29,788	25,955
Conferences	-	5,739
Contractors	61,280	49,613

## Appendix A

### Peninsula Community Legal Centre Inc.

Registered No: A8T

### Detailed Income Statement

For the Year Ended 30 June 2020

	2020	2019
<b>Expenditure (Continued)</b>	<b>\$</b>	<b>\$</b>
Disbursements	2,978	4,657
Donations	20,000	-
Electricity, gas and fuel	25,586	25,086
First Aid Certificates	1,717	1,667
Incorporation Fees	923	416
Insurance	25,375	19,288
Interpreter & Translation Services	1,029	3,129
Language Allowance	3,000	2,000
Library	15,523	17,575
License Fees	23,298	12,730
Management Fee	240	240
Memberships	3,221	2,731
National Name Check	771	759
Partnership costs - Gandel	51,872	-
PEXA Fees	-	534
Postage	6,982	5,583
Practicing certificates	9,107	6,778
Printing, Photocopying & Publication Costs	41,244	34,265
RAP Consultation	-	2,909
Rates	768	3,597
Rebranding	2,439	800
Rent	203,350	195,194
Stationery & Office Supplies	31,862	20,457
Security	2,450	2,561
Telephone & Internet	41,400	41,715
Training	12,526	7,943
Volunteer Expenses	2,421	12,372
Vouchers	9,450	2,550
<b>Sub Total Direct Expenditure</b>	<b>4,533,840</b>	<b>3,906,480</b>
<b>Total Income Less Direct Expenditure</b>	<b>131,076</b>	<b>41,454</b>
<b>Increments/(Decrements) To Provisions &amp; Depreciation</b>		
Annual Leave	(42,733)	(32,177)
Long Service Leave	(52,004)	(41,799)
Depreciation	(68,904)	(27,980)
VLA Unused Funds transfers	329,088	95,792
<b>Sub Total Increments to Provisions &amp; Depreciation</b>	<b>165,447</b>	<b>(6,164)</b>
<b>Total Expenditure</b>	<b>4,368,393</b>	<b>3,912,644</b>
<b>Net Surplus/(Deficit)</b>	<b>296,523</b>	<b>35,290</b>