

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED  
SPECIAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2017**

**CONTENTS**

Committee's Report .....	1
Statement of Comprehensive Income .....	2
Statement of Financial Position .....	3
Statement of Changes in Equity .....	4
Statement of Cash Flows .....	5
Notes to the Financial Statements.....	6
Statement by Members of the Committee .....	9
Certificate by Members of the Committee .....	10
Independent Auditor's Report.....	11
CLSIS Funds Report.....	13
Auditor's Certification .....	14

## INNER MELBOURNE COMMUNITY LEGAL INCORPORATED COMMITTEE'S REPORT

Your committee members present their report on Inner Melbourne Community Legal Incorporated for the financial year ended 30 June 2017.

### Committee Members

The names of each person who has been a committee member during the year and to the date of this report are:

Peter Fridell  
Stephen Lee  
Nicola Weston  
John Mangan  
Joanna Renkin  
Charlotte Ahearn  
Caroline Evans

### Principal Activities

The principal activities of the association during the financial year were the provision of community legal services.

### Significant Changes

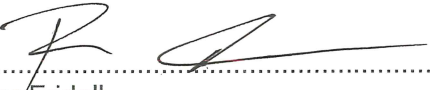
No significant changes in the nature of the association's activity occurred during the financial year.

### Operating Result

The profit from ordinary activities amounted to \$6,350.42.

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

  
.....  
John Mangan

  
.....  
Peter Fridell

Dated this 14 day of November 2017

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
<b>INCOME</b>		
Commonwealth	418,370.50	256,425.54
State	394,663.00	239,211.96
Unused CLSP Grants at Start of Year	33,746.00	28,129.00
Unused CLSP Grants at End of Year	(33,751.00)	(33,746.00)
Interest	8,265.56	8,425.69
Membership	61.81	38.80
Costs Recovered & Retained	8,341.83	9,146.00
Fundraising/Donations	-	-
Local Government Grants	78,952.00	76,950.00
Other	153,901.31	292,984.50
<b>TOTAL INCOME</b>	<b>1,062,551.01</b>	<b>877,565.49</b>
<b>EXPENSES</b>		
Amenities	7,116.06	5,760.47
Client Disbursements	3,575.91	1,165.36
Communications	9,268.03	10,497.01
Conference Expenses	6,599.32	4,649.08
Consultancies	400.00	-
Depreciation	23,964.45	25,152.28
Finance, Audit & Accounting Fees	16,860.63	14,854.20
General Expenses	4,110.11	14,217.20
Insurance	3,613.03	3,514.19
Library, Resources & Subscriptions	13,828.40	8,808.66
Minor Equipment	4,281.45	2,146.45
Office Overheads	27,663.02	14,545.07
Other Premises Costs	17,189.01	14,879.49
Project Costs	12,856.70	55,772.36
Rent	39,907.16	35,218.80
Repairs and Maintenance	2,560.67	1,944.66
Salaries	769,744.17	577,643.33
Staff Recruitment	813.00	733.00
Staff Training	18,997.17	8,737.00
Superannuation	69,786.68	52,172.87
Travel	3,065.62	1,379.82
<b>TOTAL EXPENDITURE</b>	<b>1,056,200.59</b>	<b>853,791.30</b>
<b>SURPLUS/(DEFICIT)</b>	<b>6,350.42</b>	<b>23,774.19</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>6,350.42</b>	<b>23,774.19</b>

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	2017	2016
	\$	\$
<b>CURRENT ASSETS</b>		
Cash on Hand	390.00	200.00
Cash at Bank:		
Operating Accounts	196,654.86	244,624.66
Term Deposits	300,000.00	315,264.08
Debtors	4,766.38	-
Prepayments	6,916.34	6,916.34
<b>TOTAL CURRENT ASSETS</b>	<b>508,727.58</b>	<b>560,088.74</b>
<b>NON-CURRENT ASSETS</b>		
Fixed Assets:		
Furniture & Equipment	3 25,659.82	9,803.00
Less Accumulated Depreciation	3 (6,433.85)	(1,718.72)
Leasehold Improvements	3 107,052.98	107,052.98
Less Accumulated Depreciation	3 (57,633.40)	(38,384.08)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>68,645.55</b>	<b>76,753.18</b>
<b>TOTAL ASSETS</b>	<b>577,373.13</b>	<b>636,841.92</b>
<b>CURRENT LIABILITIES</b>		
Creditors	58,631.06	48,021.44
Employee Entitlements:		
Annual Leave	20,621.15	25,134.01
Maternity Leave	32,215.00	44,620.00
Long Service Leave	-	-
Unused Project Funds:		
CLSP Grants	33,751.00	33,746.00
Other Grants	105,501.69	280,949.00
Donations	90,426.28	4,421.28
<b>TOTAL CURRENT LIABILITIES</b>	<b>341,146.18</b>	<b>436,891.73</b>
<b>NON-CURRENT LIABILITIES</b>	-	-
Employee Entitlements:		
Long Service Leave	23,010.00	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>23,010.00</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>364,156.18</b>	<b>281,571.98</b>
<b>NET ASSETS</b>	<b>213,216.95</b>	<b>355,269.94</b>
<b>ACCUMULATED FUNDS</b>		
Retained Surplus/(Deficit) at Beginning of Year	206,866.53	183,092.34
Surplus/(Deficit) for Year	6,350.42	23,774.19
<b>RETAINED SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>213,216.95</b>	<b>206,866.53</b>



INNER MELBOURNE COMMUNITY LEGAL INCORPORATED  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

\$

**Retained Earnings**

Balance at 1 July 2015	183,092.34
Operating Surplus/(Deficit)	<u>23,774.19</u>
<b>Balance at 30 June 2016</b>	<b><u>206,866.53</u></b>

Balance at 1 July 2016	206,866.53
Operating Surplus/(Deficit)	<u>6,350.42</u>
<b>Balance at 30 June 2017</b>	<b><u>213,216.95</u></b>

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
<b>Cash flows from Operating Activities</b>		
Receipts from Government Grants - recurrent	813,028.50	490,020.50
Receipts from Government Grants - non-recurrent	78,952.00	76,950.00
Receipts from Other Sources	68,101.26	507,103.58
Interest received	8,265.56	8,425.69
Payments to suppliers and employees	(1,015,534.38)	(802,417.22)
Net cash provided by/(used in) operating activities	<u>(47,187.06)</u>	<u>280,082.55</u>
<b>Cash flows from Investment Activities</b>		
Proceeds from sale of plant and equipment	-	-
Payments for purchase of plant and equipment	(15,856.82)	(26,689.00)
Net cash provided by/(used in) investment activities	<u>(15,856.82)</u>	<u>(26,689.00)</u>
<b>Cash flows from Financing Activities</b>		
Proceeds from Borrowings	-	-
Repayment of Borrowings	-	-
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash Held	(63,043.88)	253,393.55
Cash at the Beginning of the Reporting Period	560,088.74	306,695.19
<b>Cash at the End of the Reporting Period</b>	<u><b>497,044.86</b></u>	<u><b>560,088.74</b></u>
<b>Notes to the Statement of Cash Flows</b>		
<b>Reconciliation of Cash</b>		
Cash on Hand	390.00	200.00
Cash at Bank	496,654.86	559,888.74
	<u><b>497,044.86</b></u>	<u><b>560,088.74</b></u>
<b>Reconciliation of Net Cash Used in Operating Activities to Operating Result</b>		
Operating Result	6,350.42	23,774.19
Depreciation	23,964.45	25,152.28
Increase/(Decrease) in Provisions	6,092.14	1,666.71
(Increase)/Decrease in Current Receivables	(4,766.38)	-
(Increase)/Decrease in Prepayments	-	-
Increase/(Decrease) in Creditors	10,609.62	24,555.09
Increase/(Decrease) in Unused Project Funds	(89,437.31)	204,934.28
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<u><b>(47,187.06)</b></u>	<u><b>280,082.55</b></u>

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

The financial statements cover Inner Melbourne Community Legal Incorporated as an individual entity. Inner Melbourne Community Legal Incorporated is a not for profit association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act').

The functional and presentation currency of Inner Melbourne Community Legal Incorporated is Australian dollars.

**1. Basis of Preparation**

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

**2. Summary of Significant Accounting Policies**

**a) 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.

**b) 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.

**c) 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. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the assets and liabilities statement if the Association does not have an unconditional right to defer settlement of the liability for at least one year after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**d) Property, Plant and Equipment**

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

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.

**e) Income Tax**

The association is exempt from income tax.

**f) 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 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).

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

**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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

<b>Note 3: Fixed Assets</b>	<b>2017</b>	<b>2016</b>
<b>Furniture &amp; Equipment</b>		
Opening Balance at Cost	9,803.00	32,520.64
Plus Purchases	15,856.82	9,803.00
Less Assets Scrapped	-	(32,520.64)
Less Accumulated Depreciation	<u>(6,433.85)</u>	<u>(1,718.72)</u>
	19,225.97	8,084.28
 <b>Leasehold Improvements</b>		
Opening Balance at Cost	107,052.98	90,166.98
Plus Purchases	-	16,886.00
Less Disposals	-	-
Less Accumulated Depreciation	<u>(57,633.40)</u>	<u>(38,384.08)</u>
	49,419.58	68,668.90
 <b>Total Fixed Assets</b>	 <u><u>68,645.55</u></u>	 <u><u>76,753.18</u></u>



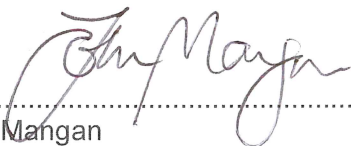
**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED  
STATEMENT BY MEMBERS OF THE COMMITTEE**


The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial statements:

1. Presents fairly the financial position of Inner Melbourne Community Legal Incorporated as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Inner Melbourne Community Legal Incorporated 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:

  
.....  
John Mangan

  
.....  
Peter Fridell

Dated this 17<sup>th</sup> day of November 2017

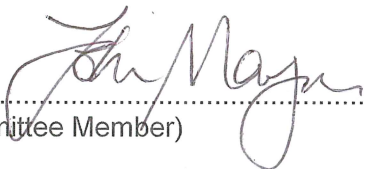


INNER MELBOURNE COMMUNITY LEGAL INCORPORATED  
CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, JOHN MANGOAN  
(Name)  
of, UNIT 16, 73 HAINES ST, NORTH MELBOURNE, VIC and  
(Address)  
I, Peter Fridell  
(Name)  
of, 48 Erskine St, North Melbourne, VIC  
(Address)

Being members of the Committee of Inner Melbourne Community Legal Incorporated  
certify that;

The statements attached to this certificate give a true and fair view of  
the financial position of Inner Melbourne Community Legal  
Incorporated during and at the end of the financial year of the  
association ending on 30 June 2017.

  
(Committee Member)

  
(Committee Member) PETER FRIDELL

Dated this 17<sup>th</sup> day of November 2017

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF INNER MELBOURNE COMMUNITY LEGAL**  
**INCORPORATED**

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**Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Inner Melbourne Community Legal Incorporated, which comprises the Committee's Report, Statement of Financial Position as at 30 June 2017, and the Statement of Comprehensive Income 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 association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Reform Act 2012* and for such internal control as the committee determines 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 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.

*Independence*

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

*Opinion*

In our opinion, the financial report presents fairly, in all material respects the financial position of Inner Melbourne Community Legal Incorporated as of 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporation Reform Act 2012*.

### Basis of Accounting and Restriction on Distribution

*[Handwritten signature]*

Dated this 17th day of November 2017

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED  
CL SIS FUNDS REPORT**

	2017	2016
<b>NET SURPLUS/DEFICIT FROM PREVIOUS YEAR</b>		
Surplus/Deficit from Previous Year	73,725	28,129
Approved Capital Expenditure from Surplus	-	11,233
<b>Net Surplus/Deficit from Previous Year</b>	<u>73,725</u>	<u>16,896</u>
<b>CLSP INCOME</b>		
Commonwealth	243,620	231,176
State	239,452	279,212
Service Generated Income	2,060	2,064
<b>Total CLSP Income</b>	<u>485,132</u>	<u>512,452</u>
<b>CLSP General Purpose Income</b>	<u>558,857</u>	<u>540,581</u>
<b>CLSP EXPENSES</b>		
Salaries	338,623	272,875
Superannuation	32,166	25,929
On Costs	26,358	26,802
Rent	36,560	35,197
Repairs & Maintenance	751	1,497
Other Premises Costs	17,189	18,314
Staff Training	8,976	10,441
Staff Recruitment	528	501
Communications	6,336	8,640
Office Overheads	13,410	22,941
Insurance	1,839	1,723
Finance, Audit & Accounting Fees	13,147	12,058
Library, Resources & Subscriptions	11,271	6,601
Travel	634	601
Programming & Planning	-	1
Client Disbursements	-	491
Leases	-	-
Assets	1,056	1,001
Depreciation	1,753	10,010
Other	2,009	-
<b>Salary and Related Expenses</b>	<u>397,147</u>	<u>325,606</u>
<b>Total Operating Expenses</b>	<u>115,459</u>	<u>130,017</u>
<b>Total CLSP Expenses</b>	<u>512,606</u>	<u>455,623</u>
<b>Surplus/Deficit</b>	<u>(27,474)</u>	<u>56,829</u>
<b>OTHER INCOME</b>		
Total Funds Received from Other Bodies	178,952	510,042
Total Funds Received from Other Bodies that is Recorded in CL SIS	-	354,000
<b>CALCULATE SURPLUS/DEFICIT FOR NEXT YEAR</b>		
Actual Capital Expenditure in Current year	-	11,233
<b>Surplus/Deficit for Next Year</b>	<u>46,251</u>	<u>73,725</u>



## AUDITOR'S CERTIFICATION

**Name of Organisation:** INNER MELBOURNE COMMUNITY LEGAL INC

**Financial Year Period:** 1 July 2016 to 30 June 2017

I hereby certify that:

- (a) I am not a principal, member, shareholder, officer, employee or accountant of the Organisation or of a related body corporate as defined in section 9 of the *Corporations Act 2001*;
- (b) In my opinion, the attached financial statements which comprise a Statement of Financial Position, a Statement of Comprehensive Income (previously known as a Statement of Financial Performance), Statement of Cash Flows, and Notes to the Financial Statements of the above-mentioned Organisation ('the Organisation') for the stated financial year period are:
  - i. based on proper accounts and present a true and fair view of the Organisation's financial position and financial performance in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia; and
  - ii. in accordance with the terms and conditions of the agreement between the Commonwealth of Australia and Victoria Legal Aid and Inner Melbourne Community Inc, a copy of which has been made available to me, in relation to the provision of community legal services.
- (c) The 12 months CLSIS Funds Report, containing details of the Organisation's transactions for the financial year, including audit adjustments, and the Organisation's grant position at the beginning and end of the financial year is provided in respect of funds provided in accordance with the terms and conditions of the agreement referred to in b.ii above for all funding categories.

This is an unqualified audit report.

Unless written under separate cover, I hereby further certify that, in my opinion, there is no conflict of interest between myself and the Organisation or its Management Committee.

## AUDITOR DETAILS

**Full Name:** Richard J Barker  
**Name of Firm:** Miller Hannaker & Middleton  
**ABN:** 75 634 368 855  
**Registered Auditor:** Yes  
**Registered Auditor Registration No:** 86228

**Signature:**



**Date:**

17 November 2017