

Not-For-Profit - Association Report

Inner Melbourne Community Legal

ABN 89 992 917 962

For the year ended 30 June 2020

Prepared by Miller Hannaker & Middleton

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Inner Melbourne Community Legal For the year ended 30 June 2020

Committee's Report

Your committee members submit the financial report of Inner Melbourne Community Legal for the financial year ended 30 June 2020.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Committee Member	Date
Peter Fridell	
John Mangan	
Joanna Renkin	
Charlotte Ahearne	
Caroline Evans	
Romina Calabro	Resigned 27 November 2019
Mischa Barr	
Daniel Scoullar	

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 surplus for the financial year amounted to \$147,316.

Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The members of the association believe that the going concern assumption is appropriate.

Committee's Report

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



John Mangan

Date 18-11-2020



Peter Fridell

Date 10-11-2020

Income and Expenditure Statement

Inner Melbourne Community Legal For the year ended 30 June 2020

	2020	2019
Income		
Funding		
Commonwealth	723,580	538,264
State	700,111	500,179
Local Government Grants	89,091	112,746
Other Funding	58,400	47,265
Total Funding	1,571,182	1,198,454
Interest Received	19,428	9,947
Commonwealth Cash Flow Boost	50,000	-
Commonwealth Job Keeper Payments	93,000	-
All Other Income	21,168	26,159
Total Income	1,754,778	1,234,559
Gross Surplus	1,754,778	1,234,559
Expenditure		
40th Anniversary	-	9,373
Amenities	5,918	7,722
Audit	5,370	4,708
Bank Charges	412	256
Bookkeeping	13,699	11,255
Cleaning	8,860	9,329
Client Disbursements	3,648	2,493
Computer Support	21,220	9,451
Conference Expenses	1,472	7,292
Depreciation	28,219	30,793
Insurance	3,046	4,279
Interpreter Expenses	1,786	1,725
Library	329	1,458
Membership Expense	8,164	10,111
Minor Equipment - Purchase	6,095	9,286
Minor Equipment - Repairs & Maintenance	496	789
Miscellaneous Expenses	5,350	1,616
Portable LSL Levy	8,952	-
Postage	1,375	1,708
Practising Certificates	2,106	2,562
Printing	4,310	7,375
Project Costs	112,929	30,114
Provision for Annual Leave (506)	19,205	14,698
Provision for Current LSL	(20,028)	3,367
Provision for Maternity Leave (507)	5,935	372
Rent	85,487	76,167

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Income and Expenditure Statement

	2020	2019
Salaries	1,094,638	839,217
Security	730	825
Staff Development	9,198	13,399
Staff Recruitment	24,945	948
Stationery & Copying	3,446	3,745
Structural Maintenance	1,172	1,886
Superannuation	101,809	78,536
Telecommunications	13,839	13,985
Travel	1,777	2,589
Utilities - Electricity / Water	18,340	15,615
Website	470	402
Workcover	2,743	3,478
Total Expenditure	1,607,462	1,232,927
Net Surplus/(Deficit)	147,316	1,632

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Assets and Liabilities Statement

Inner Melbourne Community Legal As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash and Cash Equivalents		669,541	827,198
Trade and Other Receivables		186,493	175,417
Total Current Assets		856,034	1,002,615
Non-Current Assets			
Plant and Equipment and Vehicles			
Furniture & Office Equipment	2	74,993	60,193
Less Accumulated Depreciation on Furniture & Office Equipment		(36,997)	(20,716)
Total Plant and Equipment and Vehicles		37,996	39,477
Land and Buildings			
Leasehold Improvements	2	111,122	111,122
Leasehold Improvements Depreciation		(109,052)	(97,113)
Total Land and Buildings		2,070	14,008
Total Non-Current Assets		40,067	53,485
Total Assets		896,100	1,056,100
Liabilities			
Current Liabilities			
Trade and Other Payables		57,619	71,398
Provisions		103,853	78,013
Grants in Advance		320,985	619,634
Total Current Liabilities		482,457	769,045
Non-Current Liabilities			
Provisions		20,311	41,039
Total Non-Current Liabilities		20,311	41,039
Total Liabilities		502,768	810,084
Net Assets		393,332	246,016
Accumulated Funds			
Retained Surplus/(Deficit)			
Current Year Earnings		147,316	1,632
Retained Earnings		246,016	244,384
Total Retained Surplus/(Deficit)		393,332	246,016
Total Accumulated Funds		393,332	246,016

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes to the Financial Statements

Inner Melbourne Community Legal For the year ended 30 June 2020

1. Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Victoria. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and 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.

Income Tax

The association is exempt from income tax.

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.

Employee Provisions

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 provisions have been measured at the amounts expected to be paid when the liability is settled.

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.

Cash on Hand

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.

These notes should be read in conjunction with the attached compilation report.

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.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

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.

Accounts Payable and Other Payables

Accounts payable 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 that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

COVID-19 Commentary

The COVID-19 pandemic has impacted the Association during the period. Subsequent to the end of the financial year, the pandemic and its impact has continued to evolve with further outbreaks resulting in lockdown restrictions in Victoria, additional border closures between Australian states, new stimulus measures and many other items. It is therefore not practical to estimate the potential impact, positive or negative, after reporting date.

Inner Melbourne Community Legal qualified for Government support through the JobKeeper Programme and State Government Assistance and has received additional support since the end of the financial year.

Other than the above, between the end of the financial year and the date of this Financial Report there has been no item, transaction or material or unusual event that is likely, to affect significantly the operations of the Association, or the Association's state of affairs in future financial years.

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	2020	2019
2. Fixed Assets		
Furniture and Equipment		
Opening Balance	60,193	32,095
Plus Purchases	14,800	28,098
Less Assets Scrapped	-	-
Less Accumulated Depreciation on Furniture & Office Equipment	(36,997)	(20,716)
Total Furniture and Equipment	37,996	39,477
Leasehold Improvements		
Opening Balance	111,122	107,053
Plus Purchases	-	4,069
Less Disposals	-	-
Leasehold Improvements Depreciation	(109,052)	(97,113)
Total Leasehold Improvements	2,070	14,008
Total Fixed Assets	40,067	53,485

These notes should be read in conjunction with the attached compilation report.

Movements in Equity

Inner Melbourne Community Legal For the year ended 30 June 2020

	2020	2019
Equity		
Opening Balance	246,016	244,384
Increases		
Profit for the Period	147,316	1,632
Total Increases	147,316	1,632
Total Equity	393,332	246,016

True and Fair Position

Inner Melbourne Community Legal For the year ended 30 June 2020

Annual Statements Give True and Fair View of Financial Position and Performance of the Association

We, John Mangan, and Peter Fridell, being members of the committee of Inner Melbourne Community Legal, certify that –

The statements attached to this certificate give a true and fair view of the financial position and performance of Inner Melbourne Community Legal during and at the end of the financial year of the association ending on 30 June 2020.

Signed: 

Dated: 18-11-2020

Signed: 

Dated: 10-11-2020

Certificate By Members of the Committee

Inner Melbourne Community Legal For the year ended 30 June 2020

I, (committee member name)

of (address)

certify that:

1. I attended the annual general meeting of the association held on
2. The financial statements for the year ended 30 June 2020 were submitted to the members of the association at its annual general meeting.

Dated: / /

Auditor's Report

Inner Melbourne Community Legal For the year ended 30 June 2020

Independent Auditors Report to the members of the Association

We have audited the accompanying financial report, being a special purpose financial report, of Inner Melbourne Community Legal (the association), which comprises the committee's report, the assets and liabilities statement as at 30 June 2020, the income and expenditure statement for the year then ended, cash flow statement, 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.

Committee's Responsibility for the Financial Report

The committee of Inner Melbourne Community Legal is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012* and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation and fair presentation 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 and fair presentation of the financial report, 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.

Opinion

In our opinion, the financial report gives a true and fair view of the financial position of Inner Melbourne Community Legal 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 the *Associations Incorporation Reform Act 2012*.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Inner Melbourne Community Legal to meet the requirements of the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose.



Auditor's signature: Richard Barker

Auditor's address:

Miller Hannaker & Middleton

Auditor's Report

Chartered Accountants

Level 6, 167-169 Queen Street

MELBOURNE VIC 3000

Registered Auditor Number: 86228

Dated: 18/11/2020

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

	2020	2019
NET SURPLUS/DEFICIT FROM PREVIOUS YEAR		
Surplus/Deficit from Previous Year	(173)	0
Approved Capital Expenditure from Surplus	-	-
Net Surplus/Deficit from Previous Year	<u>(173)</u>	<u>0</u>
CLSP INCOME		
Commonwealth	267,576	259,464
State	674,496	269,044
Service Generated Income	2,000	1,998
Total CLSP Income	<u>944,072</u>	<u>530,506</u>
CLSP General Purpose Income	<u>943,899</u>	<u>530,506</u>
CLSP EXPENSES		
Salaries	534,628	374,318
Superannuation	50,782	35,561
On Costs	6,794	6,500
Rent	40,820	39,035
Repairs & Maintenance	840	802
Other Premises Costs	13,930	13,500
Staff Training	10,020	9,584
Staff Recruitment	590	563
Communications	7,070	6,764
Office Overheads	15,137	14,037
Insurance	2,050	1,962
Finance, Audit & Accounting Fees	14,670	14,038
Library, Resources & Subscriptions	8,493	8,570
Travel	1,040	1,000
Programming & Planning	-	-
Client Disbursements	-	-
Leases	-	-
Assets	1,170	1,126
Depreciation	1,950	1,870
Other	37,475	1,449
Salary and Related Expenses	<u>592,204</u>	<u>416,379</u>
Total Operating Expenses	<u>155,255</u>	<u>114,300</u>
Total CLSP Expenses	<u>747,459</u>	<u>530,679</u>
Surplus/Deficit	<u>196,613</u>	<u>(173)</u>
OTHER INCOME		
Total Funds Received from Other Bodies	553,744	430,000
Total Funds Received from Other Bodies that is Recorded in CLSIS	-	-
CALCULATE SURPLUS/DEFICIT FOR NEXT YEAR		
Actual Capital Expenditure in Current year	-	-
Surplus/Deficit for Next Year	<u>196,440</u>	<u>(173)</u>

AUDITOR'S CERTIFICATION

Name of Organisation: INNER MELBOURNE COMMUNITY LEGAL INC

Financial Year Period: 1 July 2019 to 30 June 2020

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 Income and Expenditure Statement, Assets and Liabilities Statement, 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 Legal 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:



18-11-2020

Date: