

**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED
SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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**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 2016.

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
Daniel Creasey (resigned 09/11/2015)
Helen Tiplady (resigned 23/11/2015)
Joanna Renkin (appointed 10/03/2016)
Charlotte Ahearn (appointed 10/03/2016)
Caroline Evans (appointed 10/03/2016)

Principal Activities

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

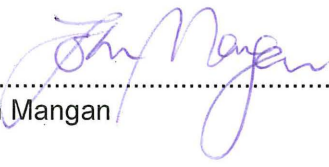
Significant Changes

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 \$23,774.19.

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


.....
John Mangan


.....
Peter Fridell

Dated this 25th day of October 2016

INNER MELBOURNE COMMUNITY LEGAL INCORPORATED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
INCOME		
Commonwealth	256,425.54	220,256.96
State	239,211.96	224,539.04
Unused CLSP Grants at Start of Year	28,129.00	21,788.00
Unused CLSP Grants at End of Year	(33,746.00)	(28,129.00)
Interest	8,425.69	7,082.75
Membership	38.80	3.00
Costs Recovered & Retained	9,146.00	14,086.50
Fundraising/Donations	-	118.20
Local Government Grants	76,950.00	75,000.00
Other	292,984.50	138,397.02
TOTAL INCOME	877,565.49	673,142.47
EXPENSES		
Amenities	5,760.47	3,616.63
Client Disbursements	1,165.36	55.00
Communications	10,497.01	6,828.83
Conference Expenses	4,649.08	3,979.81
Consultancies	-	23,000.00
Depreciation	25,152.28	17,808.85
Finance, Audit & Accounting Fees	14,854.20	11,290.73
General Expenses	14,217.20	2,347.75
Insurance	3,514.19	3,682.08
Library, Resources & Subscriptions	8,808.66	5,652.87
Minor Equipment	2,146.45	-
Office Overheads	14,545.07	9,400.02
Other Premises Costs	14,879.49	16,675.89
Project Costs	55,772.36	1,363.54
Relocation Related Costs	-	7,800.00
Rent	35,218.80	43,104.32
Repairs and Maintenance	1,944.66	353.38
Salaries	577,643.33	481,203.84
Staff Recruitment	733.00	733.64
Staff Training	8,737.00	4,208.17
Superannuation	52,172.87	39,975.36
Travel	1,379.82	567.82
TOTAL EXPENDITURE	853,791.30	683,648.53
SURPLUS/DEFICIT	23,774.19	(10,506.06)
TOTAL COMPREHENSIVE INCOME	23,774.19	(10,506.06)

INNER MELBOURNE COMMUNITY LEGAL INCORPORATED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	2016	2015
	\$	\$
CURRENT ASSETS		
Cash on Hand	200.00	200.00
Cash at Bank:		
Operating Accounts	244,624.66	142,255.90
Term Deposits	315,264.08	164,239.29
Prepayments	6,916.34	6,916.34
Sundry Debtors	-	-
TOTAL CURRENT ASSETS	<u>567,005.08</u>	<u>313,611.53</u>
NON-CURRENT ASSETS		
Shares McCauley	-	1.00
Fixed Assets:		
Furniture & Equipment	3 9,803.00	32,520.64
Less Accumulated Depreciation	3 (1,718.72)	(24,232.15)
Leasehold Improvements	3 107,052.98	90,166.98
Less Accumulated Depreciation	3 (38,384.08)	(23,240.01)
TOTAL NON-CURRENT ASSETS	<u>76,753.18</u>	<u>75,216.46</u>
TOTAL ASSETS	<u>643,758.26</u>	<u>388,827.99</u>
CURRENT LIABILITIES		
Creditors	48,021.44	23,466.35
Employee Entitlements:		
Annual Leave	25,134.01	23,467.30
Maternity Leave	44,620.00	44,620.00
Long Service Leave	-	-
Unused Project Funds:		
CLSP Grants	33,746.00	28,129.00
Other Funds	285,370.28	86,053.00
TOTAL CURRENT LIABILITIES	<u>436,891.73</u>	<u>205,735.65</u>
NON-CURRENT LIABILITIES	<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>436,891.73</u>	<u>281,571.98</u>
NET ASSETS	<u>206,866.53</u>	<u>107,256.01</u>
ACCUMULATED FUNDS		
Retained Surplus/(Deficit) at Beginning of Year	183,092.34	193,598.40
Surplus/(Deficit) for Year	23,774.19	(10,506.06)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR	<u>206,866.53</u>	<u>183,092.34</u>

INNER MELBOURNE COMMUNITY LEGAL INCORPORATED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
Cash flows from Operating Activities		
Receipts from Government Grants - recurrent	490,020.50	438,455.00
Receipts from Government Grants - non-recurrent	76,950.00	75,000.00
Receipts from Other Sources	507,103.58	46,738.36
Interest received	8,425.69	7,082.75
Payments to suppliers and employees	(802,417.22)	(631,390.01)
Net cash provided by/(used in) operating activities	<u>280,082.55</u>	<u>(64,113.90)</u>
Cash flows from Investment Activities		
Proceeds from sale of plant and equipment	-	-
Payments for purchase of plant and equipment	(26,689.00)	-
Net cash provided by/(used in) investment activities	<u>(26,689.00)</u>	<u>-</u>
Cash flows from Financing Activities		
Proceeds from Borrowings	-	-
Repayment of Borrowings	-	-
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash Held	253,393.55	(64,113.90)
Cash at the Beginning of the Reporting Period	306,695.19	370,809.09
Cash at the End of the Reporting Period	<u>560,088.74</u>	<u>306,695.19</u>

Notes to the Statement of Cash Flows

Reconciliation of Cash

Cash on Hand	200.00	200.00
Cash at Bank	<u>559,888.74</u>	<u>306,495.19</u>
	<u>560,088.74</u>	<u>306,695.19</u>

Reconciliation of Net Cash Used in Operating Activities to Operating Result

Operating Result	23,774.19	(10,506.06)
Depreciation	25,152.28	17,808.85
Increase/(Decrease) in Provisions	1,666.71	43,297.18
(Increase)/Decrease in Current Receivables	-	4,419.64
(Increase)/Decrease in Prepayments	-	-
Increase/(Decrease) in Creditors	24,555.09	(8,847.51)
Increase/(Decrease) in Unused Project Funds	204,934.28	(110,286.00)
Net Cash Provided by/(Used in) Operating Activities	<u>280,082.55</u>	<u>(64,113.90)</u>

INNER MELBOURNE COMMUNITY LEGAL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 2016

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 2016

Note 3: Fixed Assets	2016	2015
Furniture & Equipment		
Opening Balance at Cost	32,520.64	32,520.64
Plus Purchases	9,803.00	-
Less Assets Scrapped	(32,520.64)	-
Less Accumulated Depreciation	<u>(1,718.72)</u>	<u>(24,232.15)</u>
	8,084.28	8,288.49
Leasehold Improvements		
Opening Balance at Cost	90,166.98	90,166.98
Plus Purchases	16,886.00	-
Less Disposals	-	-
Less Accumulated Depreciation	<u>(38,384.08)</u>	<u>(23,240.01)</u>
	68,668.90	66,926.97
Total Fixed Assets	<u>76,753.18</u>	<u>75,215.46</u>

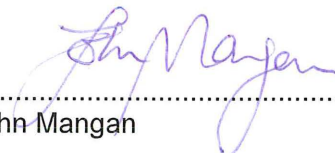
**INNER MELBOURNE COMMUNITY LEGAL INCORPORATED
STATEMENT BY MEMBERS OF THE COMMITTEE**


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 2016 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

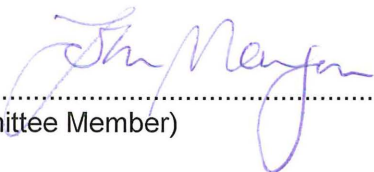
Dated this 25th day of October 2016

INNER MELBOURNE COMMUNITY LEGAL INCORPORATED
CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, JOHN MANGAN
(Name)
of, A24, 335 ABBOTSFORD ST, NTH MELB, VIC 3051 and
(Address)
I, PETER FRIDELL
(Name)
of, 48 ERSKINE ST, NTH MELB, VIC 3051
(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 2016.


.....
(Committee Member)


.....
(Committee Member)

Dated this 25th day of October 2016

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

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 2016, 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 2016, and its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporation Reform Act 2012*.

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

Basis of Accounting and Restriction on Distribution

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



Name of Partner:	Richard J Barker
Name of Firm:	Miller Hannaker & Middleton Chartered Accountants
Address:	Level 6, 167-169 Queen Street MELBOURNE VIC 3000
Registered Auditor Registration Number:	86228

Dated this 26 day of October 2016

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

	2016	2015
NET SURPLUS/DEFICIT FROM PREVIOUS YEAR		
Surplus/Deficit from Previous Year	28,129	21,788
Approved Capital Expenditure from Surplus	11,233	-
Net Surplus/Deficit from Previous Year	<u>16,896</u>	<u>21,788</u>
CLSP INCOME		
Commonwealth	231,176	220,257
State	239,212	224,539
Service Generated Income	2,064	12,384
Total CLSP Income	<u>472,452</u>	<u>457,180</u>
CLSP General Purpose Income	<u>500,581</u>	<u>478,969</u>
CLSP EXPENSES		
Salaries	272,874	265,780
Superannuation	25,928	25,249
On Costs	26,801	48,021
Rent	35,196	43,104
Repairs & Maintenance	1,496	13
Other Premises Costs	18,313	20,168
Staff Training	10,440	7,444
Staff Recruitment	500	734
Communications	8,639	6,937
Office Overheads	22,940	9,441
Insurance	1,721	1,757
Finance, Audit & Accounting Fees	12,057	11,291
Library, Resources & Subscriptions	6,600	5,653
Travel	600	413
Programming & Planning	-	-
Client Disbursements	490	55
Minor Equipment	1,000	-
Depreciation	10,008	2,781
Other	-	1,999
Salary and Related Expenses	<u>325,603</u>	<u>339,050</u>
Total Operating Expenses	<u>130,000</u>	<u>111,790</u>
Total CLSP Expenses	<u>455,603</u>	<u>450,839</u>
Surplus/Deficit	<u>16,849</u>	<u>6,341</u>
OTHER INCOME		
Total Funds Received from Other Bodies	510,042	260,950
Total Funds Received from Other Bodies that is Recorded in CLSIS	354,000	75,000
CALCULATE SURPLUS/DEFICIT FOR NEXT YEAR		
Actual Capital Expenditure in Current year	11,233	-
Surplus/Deficit for Next Year	<u>33,745</u>	<u>28,129</u>

AUDITOR'S CERTIFICATION

Name of Organisation: INNER MELBOURNE COMMUNITY LEGAL INC

Financial Year Period: 1 July 2015 to 30 June 2016

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:

26/10/2016