

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**

**A.B.N. 72 604 181 071**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**

**GENERAL PURPOSE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**DIRECTORS' REPORT**

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The Directors present their report on the Company for the financial year ended 30 June 2016.

**Directors**

The names of Directors in office at any time during or since the end of the year are:

Vernon Fettke	Chairperson/ Director	
Sarah Strapps	Secretary/ Public Officer/ Director	
Meredith Blackstock	Director	
Peter Renwick	Director	
Warren Mundy	Director	Appointed 11/02/2016
Rhys Benny	Director	Appointed 11/02/2016
Meseret Abebe	Director	Appointed 11/02/2016
Sandra Kerr	Director	Resigned 11/07/2015

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Company Secretary**

The following person held the position of the Company Secretary at the end of the financial year.

Sarah Strapps

**Principal Activities**

The principal activity of the company during the financial year was to provide free legal assistance and financial counselling for the benefit of people who live, work or study in the City of Maribyrnong, Wyndham or Hobsons Bay.

The Centre assists individuals by:

- Providing free legal advice
- Providing financial counselling services for people experiencing financial difficulties
- Referring people to a solicitor or other organisation best placed to assist with the problem
- Providing an interpreter for interviews

There were no significant changes in the principal activities of the Company during the year.

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
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**DIRECTORS' REPORT**

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**Short Term & Long Term Objectives**

The company's short term & long term objectives are:

1. Deliver high quality legal information, advice and casework, and legal education services to our community, particularly to vulnerable people
  - a. Maintain current services by prioritising key client groups and legal needs
  - b. Target and expand services for identified client groups and legal needs
  - c. Review and restructure night services
  - d. Deliver an effective outreach program
  - e. Making strategic use of technology to provide innovative solutions for education, advice, information and referral
2. Be a bold advocate for legal and related policy reform
  - a. Maintain systemic and public interest casework as a core function
  - b. Draw upon casework and consultation with stakeholders to identify issues for law and policy change
  - c. Provide submissions to relevant law and policy reviews
  - d. Publish reports on emerging and public interest issues
  - e. Develop and implement campaigning strategy
  - f. Strengthen and expand key stakeholder relationships across the broad range of community, government and commercial sectors
3. Consolidate offices and programs in the most effective locations
  - a. Integrate telephone intake with relevant service providers across the west
  - b. Coordinate clinics and services with relevant service providers across the west
  - c. Provide accessible services in appropriate locations
4. Strengthen organisational structure and capacity
  - a. Implement staffing structure that supports 5-10-year direction of the Organisation
  - b. Establish and Implement required policies to enable appropriate governance and management of the organisation
5. Strengthen workplace environment and culture
  - a. Strengthen workplace flexibility
  - b. Strengthen positive workplace culture
  - c. Support staff development and career path opportunities
6. Maintain financial stability at a level sufficient to support delivery of these priorities
  - a. Maintain appropriate recurrent/non-recurrent split on our flexible financial base (requires Board deliberation/decision)
  - b. Continue to expand the recurrent funding base Retain existing lawyers on non-recurrent funding and Retain existing non-recurrent positions
  - c. Develop and maintain relationships with current and potential Develop and maintain relationships with current and potential funders
  - d. Develop strategies to build prudent reserve levels (Requires Board discussion/direction)

**Strategy for achieving short and long-term objectives**

To achieve these objectives, the Company has adopted the following strategies:

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
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**DIRECTORS' REPORT**

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**Client and Services**

- Support priority client groups
- Expand family violence & family law services
- Conduct review of night services and implement changes
- Develop new outreach services

**Law and Policy Reform**

- Embed public interest culture
- Develop public interest response model
- Build case study processes
- Develop policy action plan
- Publish submissions and public interest reports

**Our People**

- Review organisational structure
- Improve internal communications
- Build positive workplace culture
- Develop staff review and development processes

**Operational Processes**

- Review service locations and coordination of clinics & programs
- Expand recurrent funding base
- Strengthen and expand funder relationships
- Develop core governance and management policies

**Meetings of Directors**

During the financial year, 10 (ten) meetings of Directors (including committees of Directors) were held.

Attendances by each director during the year were as follows:

	Meetings	
	Number eligible to attend	Number attended
Vernon Fettke	10	10
Sarah Strapps	10	9
Meredith Blackstock	10	8
Peter Renwick	10	9
Warren Mundy	4	4
Rhys Benny	4	3
Meseret Abebe	4	3

**After balance day events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Contribution in Winding Up**

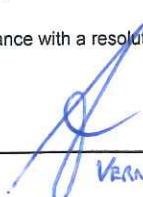
Western Community Legal Centre Limited is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10.00 towards meeting any outstanding obligations of the Company. The members of the company are past and present directors.


**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2016 has been received and is included in this report on Page 4.

Signed in accordance with a resolution of the Board of Directors.

Director

  
VERNON J FETTKKE

  
SARAH STRAPPS

Dated: 20 October 2016

127 Paisley Street  
Footscray VIC 3011  
Australia

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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
WESTERN COMMUNITY LEGAL CENTRE LIMITED  
A.B.N. 72 604 181 071**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



CA

Name of Auditor: Frederik R.L. Eksteen

Date: 20 October 2016

Address: Collins & Co  
127 Paisley Street  
Footscray VIC 3011

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$
Government Grant Funding Income		1,167,944
Other Grant Funding Income		1,043,814
Philanthropic Funded Project Income		161,889
Other Income		58,603
Winding Up Distribtuion from Merging Entities		348,043
Administration Expenses		(124,247)
Depreciation Expenses		(24,845)
Employment Expenses		(22,651)
Occupancy Expenses		(201,657)
Organisational Expenses		(80,631)
Staff Salaries & Wages Expenses		(2,060,902)
<b>Net Surplus/ (Deficit) before income tax</b>		<b>265,362</b>
Income Tax Expense	1 (i)	-
<b>Net Surplus/ (Deficit) attributable to the Company</b>		<b>265,362</b>

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$
Surplus/ (Deficit) for the year		265,362
Other comprehensive income after income tax		-
Total comprehensive income for the year		265,362
<b>Total comprehensive income attributable to the Company</b>		<b>265,362</b>

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	Note	2016 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	2	786,366
Trade & Other Receivables	3	15,506
Other Current Assets	4	47,803
<b>TOTAL CURRENT ASSETS</b>		<b>849,674</b>
<b>NON CURRENT ASSETS</b>		
Property, Plant & Equipment	5	312,450
<b>TOTAL NON-CURRENT ASSETS</b>		<b>312,450</b>
<b>TOTAL ASSETS</b>		<b>1,162,124</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Other Liabilities	6	591,741
Provisions	7	294,323
<b>TOTAL CURRENT LIABILITIES</b>		<b>886,064</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	7	10,699
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>10,699</b>
<b>TOTAL LIABILITIES</b>		<b>896,763</b>
<b>NET ASSETS</b>		<b>265,362</b>
<b>EQUITY</b>		
Accumulated Members Funds		265,362
<b>TOTAL EQUITY</b>		<b>265,362</b>



**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016**

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	<b>Accumulated Members Funds</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Surplus attributable to the Company	265,362	265,362
<b>Balance as at 30 June 2016</b>	<u><u><b>265,362</b></u></u>	<u><u><b>265,362</b></u></u>

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Grant Funding & Other Income		2,774,274
Receipts from Winding Up Distribution of Merging Entities		348,043
Payments to Suppliers and Employees		(2,014,732)
Interest Received		16,076
<b>Net cash generated from/ (used in) operating activities</b>	<b>12</b>	<b><u>1,123,661</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for Property, Plant and Equipment		(337,295)
Proceeds from Disposal of Property, Plant and Equipment		
<b>Net cash (used in)/ provided by investing activities</b>		<b><u>(337,295)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings		-
<b>Net cash used in financing activities</b>		<b><u>-</u></b>
<b>Net increase/ (decrease) in cash held</b>		<b>786,366</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>-</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>4</b>	<b><u><u>786,366</u></u></b>

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

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**Note 1. Statement of Significant Accounting Policies**

The financial statements and notes represent those of Western Community Legal Centre Limited, the Company.

**Policies Basis of preparation**

The Company has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* ).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the ACNC Act 2012. The Company is a not-for-profit Company for financial reporting purposes under Australian Accounting Standards.

The financial statements for the year ended 30 June 2016 were approved and authorised for issue by the Board of Directors on October 2016.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Accounting Policies**

**a. Property, Plant and Equipment**

Freehold land and buildings, plant & equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the asset can be measured reliably. All other repairs & maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on the revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation.

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

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The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

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

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Buildings and Building Improvements	20% - 50%
Equipment	20% - 35%
Motor Vehicles	20%

**b. Impairment of Assets**

At each reporting date, the company reviews the carrying values of its 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 to sell and value-in-use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

**c. Leases**

All leases are classified as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

**d. Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

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*The effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**Financial assets at fair value through the profit & loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are Included in non-current assets, except for those which are expected to mature within 12 months after the end of reporting period. If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments would be tainted and reclassified as available-for-sale.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair value**

Fair Value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **e. Employee Benefits**

##### **Short term benefits**

The provisions for employee entitlements to wages, salaries, annual and paid maternity leave represent obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on wage and salary rates, including related on-costs, which the Company expects to pay at the end of each reporting period.

##### **Long term benefits**

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date.

##### **Superannuation**

Superannuation contributions are made by the Company to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. The Company has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

#### **f. Provisions**

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

#### **g. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

#### **h. Revenue**

Revenue comprises revenue from the rent related activities, government grants, fundraising activities and client contributions.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

##### **Rent Revenue**

Rent revenue from the rendering of services is recognised upon the invoicing of the rent payable to the tenant.

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

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***Grant Revenue***

A number of the Company's programs are supported by grants received from the federal, state and local governments.

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

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Company receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

***Client Contributions***

Fees charged for services provided to clients are recognised when the service is provided.

***Donations***

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

***Interest Revenue***

Interest revenue is recognised on a time proportional basis taking into account the interest rates applicable to the financial assets.

**i. Trade & Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**j. Borrowing Costs**

Borrowing costs are expensed in the period in which the costs are incurred.

**k. 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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows excluded from the receipts from customers or the payments to suppliers.

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

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**I. Taxes**

***Income Tax***

By virtue of its aims as set out in the constitution, the Company qualifies as an organisation specifically exempt from income tax under the Income Tax Assessment Act, 1997.

***Land Tax***

The Company is exempt from land tax because the property is used exclusively for a charitable purpose.

***Payroll Tax***

The Company is exempt from payroll tax because it is classified as a Public Benevolent Institution, as well as being a not-for-profit with a dominant charitable purpose.

***Stamp Duty***

The Company is exempt from stamp duty because the Company's purpose and activities are exclusively charitable.

**m. Comparative Figures**

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

When a Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**n. Significant management judgement in applying accounting policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

***Estimation uncertainty***

The direction evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

***Impairment***

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets.

Where an impairment trigger exists, the recoverable amount of the asset is determined.

***Useful Lives of Depreciable Assets***

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

**o. New and Revised Standards that are effective for these financial statements**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements.



**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$
<b>Note 2. Cash and Cash Equivalents</b>	
Cash at Bank - General Cheque Account	480,321
Cash at Bank - Term Deposit	305,617
Cash at Bank - Debit Card Account	378
Cash on Hand	49
	<u>786,366</u>
<u>Reconciliation of cash</u>	
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:	
Cash and cash equivalents	<u>786,366</u>
	<u>786,366</u>
<b>Note 3. Trade &amp; Other Receivables</b>	
Trade Debtors	5,720
Bonds & Security Deposits	9,786
	<u>15,506</u>
<b>Note 4. Other Current Assets</b>	
Prepayments	47,803
	<u>47,803</u>
<b>Note 5. Property, Plant and Equipment</b>	
<b>Equipment &amp; Furniture - VLA Assets</b>	
At cost	224,905
Accumulated depreciation	(16,854)
	<u>208,051</u>
<b>Equipment &amp; Furniture - Non-VLA Assets</b>	
At cost	48,336
Accumulated depreciation	(2,601)
	<u>45,735</u>
<b>Fitout - Werribee Premises</b>	
At cost	62,640
Accumulated amortisation	(3,976)
	<u>58,664</u>
<b>Total Property, Plant and Equipment</b>	<u><u>312,450</u></u>

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

**Note 5. Property, Plant and Equipment (Continued)**

(b) Reconciliation of Movement in Carrying Values

	<b>Equipment &amp; Furniture VLA Assets</b>	<b>Equipment &amp; Furniture Non-VLA Assets</b>	<b>Fitout Werribee Premises</b>	<b>Total Property, Plant &amp; Equipment</b>
<b>Written down value at 1 July 2015</b>	-	-	-	-
Additions	224,905	49,394	62,997	337,295
Disposals	-	-	-	-
Depreciation expense	(16,854)	(3,659)	(4,333)	(24,845)
<b>Written down value at 30 June 2016</b>	<b>208,051</b>	<b>45,735</b>	<b>58,664</b>	<b>312,450</b>

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$
<b>Note 6. Accounts Payable &amp; Other Liabilities</b>	
<b>Current - Unsecured</b>	
Accounts Payable	44,263
Accrued Expenses	48,358
Grants in Advance	373,605
GST liability/ (asset)	33,148
PAYG withholding payable	92,368
	<u>591,741</u>
<b>Financial liabilities at amortised cost classified as trade and other payables</b>	
Trade and other payables	
- Total current	591,741
- Total non-current	-
	<u>591,741</u>
<b>Note 7. Provisions</b>	
<b>Current</b>	
Provision for Annual Leave	187,269
Provision for Long Service Leave	107,053
	<u>294,323</u>
<b>Non-Current</b>	
Provision for Long Service Leave	10,699
	<u>10,699</u>
<b>Note 8. Leasing Commitments</b>	
<b>Operating Lease Commitments</b>	
Non-cancellable operating leases contracted for but not capitalised in the financial statements.	
<b>Payable - Minimum Lease Payments</b>	
- no later than 12 months	155,276
- between 12 months and 5 years	319,269
- greater than 5 years	-
	<u>474,545</u>

The property lease commitments are non-cancellable operating leases with lease terms of between one (1) and three (3) years. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

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	2016 \$
<b>Note 9. Cash Flow Information</b>	
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>	
Operating Surplus/ (Deficit)	265,362
<u>Non-cash flows in profit</u>	
Depreciation of non-current assets	24,845
<u>Changes in assets and liabilities</u>	
(Increase)/decrease in trade debtors & other debtors	(15,506)
(Increase)/decrease in prepayments	(47,803)
Increase/(decrease) in accounts payables & accruals	218,136
Increase/(decrease) in grants in advance	373,605
Increase/(decrease) in employee entitlements	305,021
Cash flow from operations	<u><u>1,123,661</u></u>

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

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**Note 10. Financial Risk Management**

**a. Financial Risk Management**

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties and bank loans.

The Company does not have any derivative instruments at 30 June 2016.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	<b>Note</b>	<b>2016</b> <b>\$</b>
<b>Financial Assets</b>		
Cash and cash equivalents	<b>2</b>	786,366
Trade & Other Receivables	<b>3</b>	15,506
Other Current Assets	<b>4</b>	47,803
		<u>849,674</u>
<b>Financial Liabilities</b>		
Trade and other payables	<b>7</b>	591,741
		<u>591,741</u>

**(i) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

**(ii) Liquidity Risk**

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained.

**(iii) Interest Rate Risk**

The finance committee meets on a regular basis to analyse the interest rate exposure in the context of the most recent economic conditions and forecasts.

**Note 11. Related Party Transactions**

The Directors act in an honorary capacity and are not paid for their services as Directors.

There were no transactions with related parties during the 2016 year.

**Note 12. Company Details**

The registered office of the company is:

Level 1  
8 Watton Street  
WERRIBEE VIC 3030

The principal place of business of the company is:

Level 1  
8 Watton Street  
WERRIBEE VIC 3030


WESTERN COMMUNITY LEGAL CENTRE LIMITED  
A.B.N. 72 604 181 071  
DIRECTORS' DECLARATION

The responsible persons declare that in the responsible persons' opinion:


- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become
1. due and payable; and
  2. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Director

  
VERWOERD J FETTER

Director

  
SARAH STRAPPS

Dated this

20 day of October 2016

127 Paisley Street  
Footscray VIC 3011  
Australia

Phone (03) 9680 1000  
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**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**Report on the Financial Report**

I have audited the accompanying financial report of Western Community Legal Centre Limited (the company), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and for such internal control as the responsible entities determine 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.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting our audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the Directors of the company would be in the same terms if provided to the Directors as at the date of this auditor's report.

**Auditor's Opinion**

In my opinion the financial report of Western Community Legal Centre Limited is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2016 and of its performance and cash flows for the year ended on 30 June 2016; and
- (b) complying with Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.



CA

Frederik R.L. Eksteen

Collins & Co  
127 Paisley Street  
Footscray VIC 3011

20 October 2016

**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>
	<b>\$</b>
<b>INCOME</b>	
<b>Government Grant Funding Income</b>	<b>1,167,944</b>
VLA Commonwealth Generalist	439,628
VLA - State Generalist	564,472
State SACS ERO Allocation	134,492
Cth SACS ERO Allocation	29,352
<b>Other Grant Funding Income</b>	<b>1,043,814</b>
VLA - Family Violence State	309,856
CAV Consumer Casework	69,190
CAV Tenancy	230,096
Taxi Services Commission	26,894
Taxi/Carnapping - Insur income	67,759
Employment Project Income	43,750
Melb Social Equity Institute	5,200
Vic University - Youth Law	165,000
VLSB - Health Agency to Court	20,000
Fin Counselling - EACH	106,070
<b>Philanthropic Funded Project Income</b>	<b>161,889</b>
Lord Mayor -Eco Violence	43,875
Western Region Funding Income	40,647
Newboys Foundation Income	18,750
Ross Trust Funding Income	15,000
Jack Brockhoff Income	15,000
Helen Macpherson Smith Trust	22,500
VWBT - Family Daycare & Cntrlk	4,700
HCC - FV funding Mercy Hospit	1,417
<b>Other Income</b>	<b>58,603</b>
Legal Costs Recovered	3,819
Interest Received	16,076
Other Income	33,908
Fee Income	400
Student Placement Income	4,400
<b>Winding Up Distribtuion from Merging Entities</b>	<b>348,043</b>
<b>TOTAL INCOME</b>	<b>2,780,294</b>



**WESTERN COMMUNITY LEGAL CENTRE LIMITED**  
**A.B.N. 72 604 181 071**  
**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>
	<b>\$</b>
<b>EXPENDITURE</b>	
<b>Administration Expenses</b>	<b>124,247</b>
Advertising & Marketing	29,933
Bank Fees & Charges	306
Computer & Software Maintenance	22,043
Conference Expenses	7,006
Internet & Web	2,629
Losses & Damages	135
Penalties & Fines	1,968
Postage & Freight	3,429
Printing & Stationery	24,095
Storage	3,799
Subscriptions & Memberships	8,733
Sundry Expenses	529
Telephone & Fax	19,643
<b>Depreciation Expenses</b>	<b>24,845</b>
<b>Employment Expenses</b>	<b>22,651</b>
External Payroll Processing	4,991
Staff Training	11,719
Staff Amenities	5,941
<b>Occupancy Expenses</b>	<b>201,657</b>
Cleaning and Waste Disposal	9,567
Electricity and Gas	8,085
Insurance	2,498
Minor Office Equipment	4,227
Rates	4,707
Rent Paid	161,555
Repairs and Maintenance	8,967
Venue Hire	2,050
<b>Organisational Expenses</b>	<b>80,631</b>
Accounting Fees	52,491
Auditors Remuneration	6,300
Catering & Meeting Costs	4,177
Legal Fees	4,230
Program Resources	2,660
Travel Expenses	10,774
<b>Staff Salaries &amp; Wages Expenses</b>	<b>2,060,902</b>
Salaries & Wages	1,729,955
Superannuation Contributions	154,300
Consultants & Temporary Staff	29,104
Workcover Insurance	5,712
Annual Leave & Long Service Leave Expenses	141,831
<b>TOTAL EXPENDITURE</b>	<b>2,514,933</b>
<b>NET SURPLUS/ (DEFICIT) ATTRIBUTABLE TO THE COMPANY</b>	<b>265,362</b>