

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
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DIRECTORS' REPORT

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.

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DIRECTORS' REPORT

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:

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DIRECTORS' REPORT

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

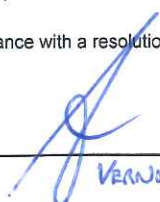
Western Community Legal Centre Limited is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10.00 towards meeting any outstanding obligations of the Company. The members of the company are past and present directors.


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 FETTKÉ


SARAH STRAPPS

Dated: 20 October 2016

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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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) |
| Net Surplus/ (Deficit) before income tax | | 265,362 |
| Income Tax Expense | 1 (i) | - |
| Net Surplus/ (Deficit) attributable to the Company | | 265,362 |

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 |
| Total comprehensive income attributable to the Company | | 265,362 |

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

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

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

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

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

| | Note | 2016 \$ |
|---|-----------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| 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 |
| Net cash generated from/ (used in) operating activities | 12 | <u>1,123,661</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payment for Property, Plant and Equipment | | (337,295) |
| Proceeds from Disposal of Property, Plant and Equipment | | |
| Net cash (used in)/ provided by investing activities | | <u>(337,295)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowings | | - |
| Net cash used in financing activities | | <u>-</u> |
| Net increase/ (decrease) in cash held | | 786,366 |
| Cash and cash equivalents at beginning of financial year | | - |
| Cash and cash equivalents at end of financial year | 4 | <u><u>786,366</u></u> |

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

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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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.

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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

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.

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

| | 2016 \$ |
|---|--------------------|
| Note 2. Cash and Cash Equivalents | |
| 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 |
| | 786,366 |
| <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 | 786,366 |
| | 786,366 |
| Note 3. Trade & Other Receivables | |
| Trade Debtors | 5,720 |
| Bonds & Security Deposits | 9,786 |
| | 15,506 |
| Note 4. Other Current Assets | |
| Prepayments | 47,803 |
| | 47,803 |
| Note 5. Property, Plant and Equipment | |
| Equipment & Furniture - VLA Assets | |
| At cost | 224,905 |
| Accumulated depreciation | (16,854) |
| | 208,051 |
| Equipment & Furniture - Non-VLA Assets | |
| At cost | 48,336 |
| Accumulated depreciation | (2,601) |
| | 45,735 |
| Fitout - Werribee Premises | |
| At cost | 62,640 |
| Accumulated amortisation | (3,976) |
| | 58,664 |
| Total Property, Plant and Equipment | 312,450 |

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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

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

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

| | 2016 \$ |
|--|--------------------------|
| Note 6. Accounts Payable & Other Liabilities | |
| Current - Unsecured | |
| 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> |
| | <u>591,741</u> |
| Financial liabilities at amortised cost classified as trade and other payables | |
| Trade and other payables | |
| - Total current | 591,741 |
| - Total non-current | - |
| | <u>591,741</u> |
| | <u>591,741</u> |
| Note 7. Provisions | |
| Current | |
| Provision for Annual Leave | 187,269 |
| Provision for Long Service Leave | 107,053 |
| | <u>294,323</u> |
| | <u>294,323</u> |
| Non-Current | |
| Provision for Long Service Leave | 10,699 |
| | <u>10,699</u> |
| | <u>10,699</u> |
| Note 8. Leasing Commitments | |
| Operating Lease Commitments | |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements. | |
| Payable - Minimum Lease Payments | |
| - no later than 12 months | 155,276 |
| - between 12 months and 5 years | 319,269 |
| - greater than 5 years | - |
| | <u>474,545</u> |
| | <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

| | 2016 \$ |
|---|-------------------------|
| Note 9. Cash Flow Information | |
| Reconciliation of Cash Flow from Operations with Profit after Income Tax | |
| 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

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:

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

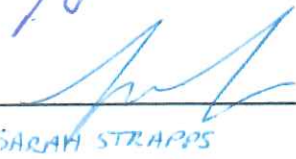
Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Director



VERWOERD J FETZKE

Director



SARAH STRAPPS

Dated this

20 day of October 2016

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

| | 2016 \$ |
|--|--------------------------|
| INCOME | |
| Government Grant Funding Income | 1,167,944 |
| VLA Commonwealth Generalist | 439,628 |
| VLA - State Generalist | 564,472 |
| State SACS ERO Allocation | 134,492 |
| Cth SACS ERO Allocation | 29,352 |
| Other Grant Funding Income | 1,043,814 |
| 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 |
| Philanthropic Funded Project Income | 161,889 |
| 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 |
| Other Income | 58,603 |
| Legal Costs Recovered | 3,819 |
| Interest Received | 16,076 |
| Other Income | 33,908 |
| Fee Income | 400 |
| Student Placement Income | 4,400 |
| Winding Up Distribtuion from Merging Entities | 348,043 |
| TOTAL INCOME | <u>2,780,294</u> |

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

| | 2016 \$ |
|---|--------------------------|
| EXPENDITURE | |
| Administration Expenses | 124,247 |
| 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 |
| Depreciation Expenses | 24,845 |
| Employment Expenses | 22,651 |
| External Payroll Processing | 4,991 |
| Staff Training | 11,719 |
| Staff Amenities | 5,941 |
| Occupancy Expenses | 201,657 |
| 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 |
| Organisational Expenses | 80,631 |
| 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 |
| Staff Salaries & Wages Expenses | 2,060,902 |
| 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 |
| TOTAL EXPENDITURE | 2,514,933 |
| NET SURPLUS/ (DEFICIT) ATTRIBUTABLE TO THE COMPANY | 265,362 |