

# FINANCIAL REPORT

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FOR THE YEAR ENDED 30 JUNE 2012



PUBLIC INTEREST LAW CLEARING HOUSE (VIC) INC

ABN 54 206 789 276

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Your board Members submit the financial statement of the association for the financial year ended 30 June 2012.

### Board Members

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

Mitzi Gilligan: President  
Geoff Rush: Deputy President  
Stephen Sawyer: Treasurer  
Celia Tonkin: Secretary (Appointed 17 November 2011)  
Amanda Jones  
David Hillard  
David Krasnostein (Appointed 17 November 2011)  
Gary Cazalet  
Jo Renkin  
Malcolm Cooke

Stuart Webb  
Ted Hill  
Will Alstergren  
Will Irving  
Carmel Mulhern (Alternative for Will Irving)  
Sally Nicholes (Alternative for Stephen Sawyer)  
Nicole Rich (Retired 17 November 2011)  
Robert Jamieson (Retired 17 November 2011)  
Val Gostencnik (Retired 17 November 2011)

### Principal Activities

The principal activities of the association during the financial year were to procure the provision of pro bono legal services to marginalised and disadvantaged individuals, groups and communities.

No significant changes in the nature of these activities occurred during the year.

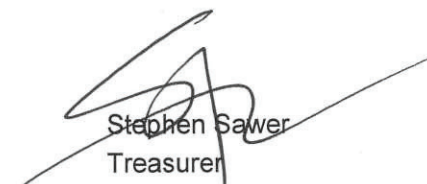
### Operating results

The surplus of the association for the financial year amounted to \$222,555 (2011: \$49,031).

Signed in accordance with a resolution of the Members of the Board:



Mitzi Gilligan  
President



Stephen Sawyer  
Treasurer

Signed in Melbourne, this 4th day of October 2012.

## STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue	13	3,219,752	2,784,949
<b>Expenses</b>			
Employee benefits expense		(2,314,940)	(2,013,426)
Occupancy expenses		(180,502)	(163,806)
Administrative expenses		(451,779)	(514,908)
Depreciation expenses		(49,976)	(43,778)
Total expenses	13	(2,997,197)	(2,735,918)
<b>Net surplus for the year</b>		<b>222,555</b>	<b>49,031</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>222,555</b>	<b>49,031</b>
Total comprehensive income attributable to members		222,555	49,031

The accompanying notes form part of the financial statements

# STATEMENT OF FINANCIAL POSITION

As At 30 June 2012

	Note	2012 \$	2011 \$
<b>Current assets</b>			
Cash and cash equivalents	2	1,514,044	1,564,406
Trade and other receivables	3	153,245	116,161
<b>Total current assets</b>		<b>1,667,289</b>	<b>1,680,567</b>
<b>Non current assets</b>			
Financial assets	4	119,487	112,195
Plant and equipment	5	128,006	84,849
Deferred charges		-	7,500
<b>Total non current assets</b>		<b>247,493</b>	<b>204,544</b>
<b>TOTAL ASSETS</b>		<b>1,914,782</b>	<b>1,885,111</b>
<b>Current liabilities</b>			
Trade and other payables	6	116,481	147,310
Deferred revenue and benefits	7	506,725	590,575
Provisions	8	215,936	151,800
<b>Total current liabilities</b>		<b>839,142</b>	<b>889,685</b>
<b>Non current liabilities</b>			
Provisions	8	34,985	27,957
<b>Total non current liabilities</b>		<b>34,985</b>	<b>27,957</b>
<b>TOTAL LIABILITIES</b>		<b>874,127</b>	<b>917,642</b>
<b>NET ASSETS</b>		<b>1,040,655</b>	<b>967,469</b>
<b>Members' Funds</b>			
Retained earnings	13	1,040,655	967,469
<b>MEMBERS' FUNDS</b>		<b>1,040,655</b>	<b>967,469</b>

The accompanying notes form part of the financial statements

## STATEMENT OF CASH FLOWS

For The Year Ended 30 June 2012

	Note	2012 \$	2011 \$
<b>Cash flows from operating activities</b>			
Receipts from membership & donations		450,479	387,139
Receipts from grants & funding contributions		1,831,949	2,005,717
Receipts from other sources		819,579	741,002
Payments to suppliers and employees		(3,129,071)	(2,789,094)
Interest received		80,661	73,034
<b>Net cash provided by operating activities</b>	9	53,597	417,798
<b>Cash flows from investing activities:</b>			
Acquisition of plant and equipment		(96,667)	(10,298)
Payment for financial assets		(7,292)	(6,848)
<b>Net cash used in investing activities</b>		(103,959)	(17,146)
<b>Net increase in cash held</b>		<b>(50,362)</b>	<b>400,652</b>
Cash and cash equivalents at the beginning of financial year		1,564,406	1,163,754
<b>Cash and cash equivalents at the end of financial year</b>	2	<b>1,514,044</b>	<b>1,564,406</b>

The accompanying notes form part of the financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## For The Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies

This financial statement is a special purpose financial statement that has been prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act of Victoria. The Board has determined that the Association is not a reporting entity.

The financial statement has been prepared on an accrual basis and is based on historic costs and does not take into account changing values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

#### (a) Income Tax

No provision for income tax has been raised, or expense incurred, as the Association is exempt from income tax.

#### (b) Plant and Equipment

Each class of plant & equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. The carrying amount is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets.

The depreciable amounts of all fixed assets are depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

#### (c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

#### (d) Employee Entitlements

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match expected timing of cash flows.

Contributions are made by the Association to superannuation funds nominated by employees and are charged as expenses when incurred.

#### (e) Provisions

Provisions are recognised when the entity 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.

#### (f) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS

**For The Year Ended 30 June 2012**

## **1 Summary of Significant Accounting Policies (continued)**

### **(g) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

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

### **(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part the item of expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a net basis.

### **(i) Grants – Deferred Revenue**

Grants are treated as unexpended grants in the statement of financial position where there are conditions attached to the grant revenue relating to the use of these grants for specific purposes. It is recognised in the statement of financial position as a liability until such conditions are met or services provided. Once the conditions are met and the services provided, the amount is included as revenue in the statement of comprehensive income.

### **(j) Critical Accounting Estimates and Judgements**

The Board evaluates estimates and judgements incorporated into the financial statement 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 from within the Association.

### **(k) Comparative Figures**

Comparative figures are, where appropriate, reclassified so as to be comparable with figures presented for the current financial year.



## NOTES TO THE FINANCIAL STATEMENTS

### For The Year Ended 30 June 2012

	2012 \$	2011 \$
<b>2 Cash and Cash Equivalents</b>		
Cash on hand	1,000	1,000
Cash at bank	1,513,044	1,563,406
Total cash and cash equivalents	1,514,044	1,564,406
<b>3 Trade and Other Receivables</b>		
Trade receivables	116,055	72,782
Accrued income	22,727	10,074
Other receivables	4,652	4,585
Prepayments and deposits	9,811	28,720
Total trade and other receivables	153,245	116,161
<b>4 Financial Assets</b>		
Term deposit	119,487	112,195
<b>5 Plant and Equipment</b>		
Office fixtures and furniture - at cost	110,269	106,499
Less accumulated depreciation	(71,748)	(50,901)
Total office fixtures and furniture	38,521	55,598
Computer equipment - at cost	96,297	89,593
Less accumulated depreciation	(60,047)	(60,342)
Total computer equipment	36,250	29,251
PIMS and CRM software - at cost	65,107	-
Less accumulated depreciation	(11,872)	-
Total software	53,235	-
Total plant and equipment	128,006	84,849
<b>6 Trade and Other Payables</b>		
Trade payables	1,240	80,038
Other payables and accruals	115,241	67,272
Total trade and other payables	116,481	147,310
<b>7 Deferred Revenue and Benefits</b>		
Grants received in advance	486,741	555,603
Rent free period benefit	19,984	34,972
Total deferred revenue and benefits	506,725	590,575

## NOTES TO THE FINANCIAL STATEMENTS

### For The Year Ended 30 June 2012

	2012 \$	2011 \$
<b>8 Provisions</b>		
<b>Current</b>		
Employee benefits	215,936	151,800
<b>Non-current</b>		
Employee benefits	23,279	11,957
Provision for make good	11,706	16,000
Total non-current provisions	34,985	27,957

### 9 Cash Flow Information

#### Reconciliation of Cash Flow from Operations with Operating Surplus

Net surplus for the year	222,555	49,031
Non cash flow items:		
Integration of other schemes	(149,369)	-
Loss on disposal of plant and equipment	3,534	-
Depreciation expenses	49,976	43,778
Changes in assets and liabilities:		
(Increase)/ decrease in trade and other receivables	(29,584)	338,835
(Increase)/ decrease in deferred benefits	-	3,200
Increase/(decrease) in trade and other payables	(30,829)	32,470
Increase/(decrease) in grants and other benefits received in advance	(83,850)	(102,673)
Increase/(decrease) in provisions	71,164	53,157
Cash flows from operating activities	53,597	417,798

### 10 Commitments

(a) Capital commitments as at 30 June 2012 amounted to \$Nil (2011: \$Nil)

(b) Operating Lease Commitments

Non cancellable operating leases contracted for but not capitalised in the financial statements are as follows:

Payable minimum lease payments		
- not later than 12 months	207,702	199,713
- between 12 months and 5 years	70,133	277,835
Total operating lease commitments	277,835	477,548

The property lease is a non cancellable lease with a five year term, with rent payable monthly in advance.

The association entered into a bank guarantee with the Commonwealth Bank for \$58,379 (2011: \$58,379) in respect of the property lease. The guarantee by the bank is secured by a charge over the financial assets (term deposit) of \$119,487 disclosed in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2012

### 11 Related Party Transactions

#### (a) Services to related entity - Human Rights Law Centre Ltd (HRLC)

The Association provides office space and other services to HRLC and is reimbursed for the cost of providing office space and other services. The financial statement in note 13, in the PILCH column, shows the total of expense incurred on behalf of HRLC and the total of expenses reimbursement and management fee received from HRLC.

#### (b) Accounts receivable from/ payable to related entity

Trade receivables of \$116,055 (2011: \$72,782) includes a receivable of \$5,623 (2011: \$6,238) from HRLC.

Trade payables of \$1,240 (2011: \$80,038) includes a payable of \$Nil (2011: \$3,189) to HRLC.

### 12 Association Details

The registered office and principal place of business of the Association is:  
Public Interest Law Clearing House (Victoria) Inc.  
Level 17, 461 Bourke Street  
Melbourne VIC 3000

# NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2012

	SRLC	Members	PILCH	HPLC	LIVLAS	VBPBS	Connect	2012 Total	2011 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income</b>									
Grants	93,541	-	192,465	464,902	372,115	428,408	777,993	2,329,424	1,926,895
Memberships	34,410	208,588	56,209	85,988	-	-	10,000	395,195	351,316
Other income	-	-	224,836	25,075	5,479	157,733	82,010	495,133	506,738
Total Income	127,951	208,588	473,510	575,965	377,594	586,141	870,003	3,219,752	2,784,949
<b>Expenditure</b>									
Salaries and on-costs	121,476	172,700	135,116	475,906	337,718	513,642	558,382	2,314,940	2,013,426
Occupancy	5,582	16,257	31,990	39,727	24,067	30,532	32,347	180,502	163,806
General office and other expenses	8,981	19,290	226,160	76,936	29,310	41,968	99,110	501,755	558,686
Total Expenditure	136,039	208,247	393,266	592,569	391,095	586,142	689,839	2,997,197	2,735,918
<b>Profit for the year</b>	<b>(8,088)</b>	<b>341</b>	<b>80,244</b>	<b>(16,604)</b>	<b>(13,501)</b>	<b>(1)</b>	<b>180,164</b>	<b>222,555</b>	<b>49,031</b>
Accumulated Funds at Beginning of Financial Year	-	-	818,100	(721)	5,175	134,055	10,860	967,469	918,438
Transfers during year	-	-	-	721	(5,175)	(134,055)	(10,860)	(149,369)	-
<b>Accumulated Funds at End of Financial Year</b>	<b>(8,088)</b>	<b>341</b>	<b>898,344</b>	<b>(16,604)</b>	<b>(13,501)</b>	<b>(1)</b>	<b>180,164</b>	<b>1,040,655</b>	<b>967,469</b>


## STATEMENT BY THE BOARD MEMBERS

The Board members have determined that the Association is not a reporting entity and that this special purpose financial statement should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board:

1. The financial statements as set out on pages 2 to 9, present a true and fair view of the financial position of Public Interest Law Clearing House (Victoria) Inc. as at 30 June 2012 and its performance for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the financial statements.
2. There are reasonable grounds to believe that Public Interest Law Clearing House (Victoria) Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board members and is signed for and on behalf of the board members



Mitzi Gilligan  
President



Stephen Sawyer  
Treasurer

Signed in Melbourne, this 4th day of October 2012.

## **Independent Auditor's Report to the Members of Public Interest Law Clearing House (Victoria) Inc.**

We have audited the accompanying financial report, being a special purpose financial report, of Public Interest Law Clearing House (Victoria) Inc. (the association), which comprises the statement of financial position as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the board.

### **Board Members Responsibility for the Financial Report**

The board members of Public Interest Law Clearing House (Victoria) Inc. are responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act 1981 (Victoria) and is appropriate to meet the needs of the members. The board members responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation 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**

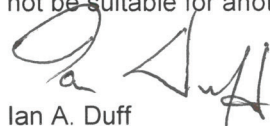
In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

### **Auditor's Opinion**

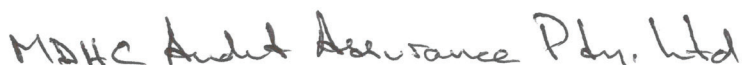
In our opinion, the financial report presents fairly, in all material respects, the financial position of Public Interest Law Clearing House (Victoria) Inc. as at 30 June 2012 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Act 1981 (Victoria).

### **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 has been prepared to assist Public Interest Law Clearing House (Victoria) Inc. to meet the requirements of the Associations Incorporation Act 1981 (Victoria). As a result, the financial report may not be suitable for another purpose.



Ian A. Duff  
Registered Company Auditor



MDHC Audit Assurance Pty Ltd

Signed in Hawthorn, this 5<sup>th</sup> day of October 2012.

MDHC Audit Assurance Pty Ltd  
Formerly McLean Delmo Hall  
Chadwick Audit Assurance Pty Ltd  
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