



## ANNUAL FINANCIAL REPORT 2010 | 11

APPENDIX TO THE ANNUAL REPORT 2010 | 11

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# Public Interest Law Clearing House (Victoria) Inc.

ABN 54 206 789 276

## Board Members Report As At 30 June 2011

Your Board Members submit the financial statement of the association for the financial year ended 30 June 2011.

### Board Members

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

Mitzi Gilligan (President)	Nicole Rich
Geoff Rush (Deputy President)	Stuart Webb
Stephen Sawyer (Treasurer)	Ted Hill (Appointed 28 October 2010)
Robert Jamieson (Secretary)	Val Gostencnik
Amanda Jones	Will Alstergren (Appointed 9 September 2010)
David Hillard (Alternative for Amanda Jones)	Will Irving
Gary Cazalet	Joshua Wilson S.C. (Retired 9 September 2010)
Jo Renkin	Sarah Matheson (Retired 28 October 2010)
Malcolm Cooke	

### 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 \$49,031 (2010: \$4,444).

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



Mitzi Gilligan  
President



Stephen Sawyer  
Treasurer

Signed in Melbourne, this 29<sup>th</sup> day of September 2011.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011		2011	2010
	Note	\$	\$
Revenue	13	2,784,949	2,086,232
<b>EXPENSES</b>			
Employee benefits expense		(2,013,426)	(1,575,911)
Occupancy expenses		(163,806)	(154,902)
Administrative expenses		(514,908)	(317,614)
Depreciation expenses		(43,778)	(33,361)
Total expenses	13	(2,735,918)	(2,081,788)
<b>Net surplus for the year</b>		<b>49,031</b>	<b>4,444</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>49,031</b>	<b>4,444</b>
Total comprehensive income attributable to members		49,031	4,444

The accompanying notes form part of the financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011		2011	2010
	Note	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	1,564,406	1,163,754
Trade and other receivables	3	116,161	454,996
<b>Total current assets</b>		<b>1,680,567</b>	<b>1,618,750</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	4	84,849	118,328
Deferred Charges		7,500	10,700
Financial assets	5	112,195	105,347
<b>Total non-current assets</b>		<b>204,544</b>	<b>234,375</b>
<b>TOTAL ASSETS</b>		<b>1,885,111</b>	<b>1,853,125</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	147,310	114,840
Deferred revenue and benefits	7	590,575	693,248
Provisions	8	151,800	98,000
Other schemes	13	149,369	237,682
<b>Total current liabilities</b>		<b>1,039,054</b>	<b>1,143,770</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	8	27,957	28,600
<b>Total non-current liabilities</b>		<b>27,957</b>	<b>28,600</b>
<b>TOTAL LIABILITIES</b>		<b>1,067,011</b>	<b>1,172,370</b>
<b>NET ASSETS</b>		<b>818,100</b>	<b>680,755</b>
<b>MEMBERS FUNDS</b>			
Retained earnings		818,100	680,755
<b>TOTAL MEMBERS FUNDS</b>	13	<b>818,100</b>	<b>680,755</b>

The accompanying notes form part of the financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011		2011	2010
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from membership & donations		387,139	330,144
Receipts from grants & funding contributions		2,005,717	1,335,805
Receipts from other sources		741,002	444,564
Payments to suppliers and employees		(2,789,094)	(2,031,146)
Interest received		73,034	47,493
<b>Net cash provided by operating activities</b>	9	417,798	126,860
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Acquisition of plant and equipment		(10,298)	(14,652)
Payment for financial assets		(6,848)	(6,429)
<b>Net cash used in investing activities</b>		(17,146)	(21,081)
<b>Net increase in cash held</b>		<b>400,652</b>	<b>105,779</b>
Cash and cash equivalents at the beginning of financial year		1,163,754	1,057,975
<b>Cash and cash equivalents at the end of financial year</b>	2	<b>1,564,406</b>	<b>1,163,754</b>

The accompanying notes form part of the financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### 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.

## (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.

	2011	2010
	\$	\$
<b>2 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	1,000	900
Cash at bank	1,563,406	1,162,854
Total cash and cash equivalents	1,564,406	1,163,754
<b>3 TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	72,782	450,665
Prepayments & other	43,379	4,331
Total trade and other receivables	116,161	454,996
<b>4 PLANT AND EQUIPMENT</b>		
Office fitout and furniture, at cost	106,499	104,234
Less accumulated depreciation	(50,901)	(30,919)
Total office fitout and furniture	55,598	73,315
Computer equipment, at cost	89,593	82,017
Less accumulated depreciation	(60,342)	(37,004)
Total computer equipment	29,251	45,013
Total plant and equipment	84,849	118,328
<b>5 FINANCIAL ASSETS</b>		
Term deposit	112,195	105,347
<b>6 TRADE AND OTHER PAYABLES</b>		
Trade payables	80,038	14,265
Other payables and accruals	67,272	100,575
Total trade and other payables	147,310	114,840
<b>7 DEFERRED REVENUE AND BENEFITS</b>		
Grants received in advance	555,603	643,288
Rent free period benefit	34,972	49,960
Total deferred revenue and benefits	590,575	693,248
<b>8 PROVISIONS</b>		
<b>Current</b>		
Employee benefits	151,800	98,000
<b>Non-current</b>		
Employee benefits	11,957	12,600
Provision for make good	16,000	16,000
Total non-current provisions	27,957	28,600

	2011	2010
	\$	\$
<b>9 CASH FLOW INFORMATION</b>		
<b>Reconciliation of Cash Flow from Operations with Operating Surplus</b>		
Net surplus for the year	49,031	4,444
<b>Non-cash flow items:</b>		
Loss on disposal of plant and equipment	-	7,279
Depreciation expenses	43,778	33,361
<b>Changes in assets and liabilities:</b>		
(Increase)/ decrease in trade and other receivables	338,835	(294,995)
(Increase)/ decrease in deferred benefits	3,200	3,200
Increase/(decrease) in trade and other payables	32,470	7,690
Increase/(decrease) in grants and other benefits received in advance	(102,673)	351,781
Increase/(decrease) in provisions	53,157	14,100
Cash flows from operating activities	417,798	126,860
<b>10 COMMITMENTS</b>		
(a) Capital commitments as at 30 June 2011 amounted to \$Nil (2010: \$Nil)		
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements are as follows:		
<b>Payable - minimum lease payments</b>		
- not later than 12 months	199,713	192,032
- between 12 months and 5 years	277,835	477,548
Total operating lease commitments	477,548	669,580

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 (2010: \$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 \$112,195 disclosed in the statement of financial position.

## 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 party

Trade receivables of \$72,782 (2010: \$450,665) includes a receivable of \$6,238 (2010: \$16,655) from HRLC.

Trade payables of \$80,038 (2010: \$14,265) includes a payable of \$3,189 (2010: \$Nil) 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

### 13 STATEMENT OF FINANCIAL OPERATIONS

						2011	2010
	PILCH	HPLC	LIV LAS	VIC BAR PBS	CONNECT	TOTAL	TOTAL
	\$	\$	\$	\$	\$	\$	\$
<b>Income</b>							
Membership	301,316	0	0	0	50,000	351,316	317,909
Grants and funding	269,247	467,267	0	0	422,929	1,159,443	969,036
LIV Management Fees	0	0	360,000	0	0	360,000	251,000
VICBAR Management Fees	0	0	0	397,497	0	397,497	342,000
Interest received	52,968	10,664	26	6,111	13,339	83,108	47,493
Training/ Teaching Fees	1,091	3,163	0	1,140	18,048	23,442	1,729
Event Registration	34,430	45	0	0	19,782	54,257	52,481
Court Ordered Costs	0	9,955	0	0	0	9,955	3,810
Refunds & reimbursements	337	1,057	0	0	44,079	45,473	3,096
Other income	5,130	3,719	0	0	5,110	13,959	3,341
Donations	31,183	4,640	0	0	0	35,823	12,235
Expense reimbursement & management fee from HRLC	250,676	0	0	0	0	250,676	82,103
<b>Total income</b>	<b>946,378</b>	<b>500,510</b>	<b>360,026</b>	<b>404,748</b>	<b>573,287</b>	<b>2,784,949</b>	<b>2,086,233</b>
<b>Expenditure</b>							
Salaries & on-costs	492,235	446,748	309,662	337,432	427,349	2,013,426	1,575,911
Staff recruiting and training	48,690	5,195	8,384	3,584	8,050	73,903	21,624
Staff other expenses	17,699	8,333	3,597	3,547	6,282	39,458	29,830
Event staging and projects	22,223	22,304	0	4,006	62,207	110,740	52,252
Occupancy	39,651	41,870	25,893	26,489	29,903	163,806	154,902
Other expenses	3,915	2,438	349	311	2,376	9,389	9,039
Communications	19,336	16,764	4,039	4,077	5,196	49,412	23,792
Amenities, postage, printing & stationery	6,811	10,758	5,303	5,225	5,715	33,812	25,411
Depreciation	17,161	8,973	5,549	5,679	6,416	43,778	33,361
Equipment repairs	1,471	2,805	1,734	1,773	2,018	9,801	10,990
Finance, bookkeeping & insurance	10,770	11,337	6,621	6,687	9,931	45,346	55,946
Library & membership	2,217	2,204	1,156	1,181	1,486	8,244	7,875
Consultants	1,341	1,384	856	872	4,837	9,290	15,360
Expenses HRLC	125,513	0	0	0	0	125,513	65,495
<b>Total expenditure</b>	<b>809,033</b>	<b>581,113</b>	<b>373,143</b>	<b>400,863</b>	<b>571,766</b>	<b>2,735,918</b>	<b>2,081,788</b>
<b>Profit for the year</b>	<b>137,345</b>	<b>(80,603)</b>	<b>(13,117)</b>	<b>3,885</b>	<b>1,521</b>	<b>49,031</b>	<b>4,444</b>
Accumulated Funds at Beginning of Financial Year	680,755	79,882	18,292	130,170	9,339	918,438	913,994
<b>Accumulated Funds at End of Financial Year</b>	<b>818,100</b>	<b>(721)</b>	<b>5,175</b>	<b>134,055</b>	<b>10,860</b>	<b>967,469</b>	<b>918,438</b>

The Accumulated Funds at the end of the financial year for HPLC, LIV LAS, VICBAR PBS and Connect amounting to \$149,369 (2010: \$237,682) are shown in the statement of financial position as current liabilities, as such amounts must be used in the respective schemes for the purposes for which they were contributed.

# Public Interest Law Clearing House (Victoria) Inc.

ABN 54 206 789 276

## 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 2011 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 Sayer  
Treasurer

Signed in Melbourne, this 29<sup>th</sup> day of September 2011.

**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 2011 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 2011 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 30<sup>th</sup> day of September 2011.

PUBLIC INTEREST LAW CLEARING HOUSE (VIC) INC

ABN 54 206 789 276  
Reg No. A0029409J

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