

2012-13 Finance Report

Tony Monley, Treasurer.

ECLC ended the year with a modest surplus of some \$36,000 on a revenue base of \$1.4m. It is always pleasing, as a not-for-profit entity, to see the organization's funds applied fully and responsibly.

Funding of \$1.4m is up 17% on prior year, attributed primarily to a full year's funding for the Deakin University Students Association program, funding from Consumer Affairs Victoria for the Tenants Advice and Advocacy Program, and increased general funding from Victoria Legal Aid.

ECLC's balance sheet shows net assets of some \$145,000. Current assets exceed current liabilities by a ratio of 1.2:1 indicating adequate liquidity to meet debts as and when they fall due. It should be noted however, that these net assets of \$145,000 represents only 10% of annual expenditure, which is a very limited buffer in the event of a material and unexpected interruption to funding.

The Board acknowledge the effective management of ECLC's finances for the year and are grateful to funding bodies for their commitment to our community.

Notes to and forming part of the Financial Statements for the Year ended 30th June 2013

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report that has been prepared in accordance with the Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report.

Fixed assets

Each Class of fixed assets is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated using the prime cost method or the diminishing value method over their useful lives to the association commencing from the time the asset is held ready for use.

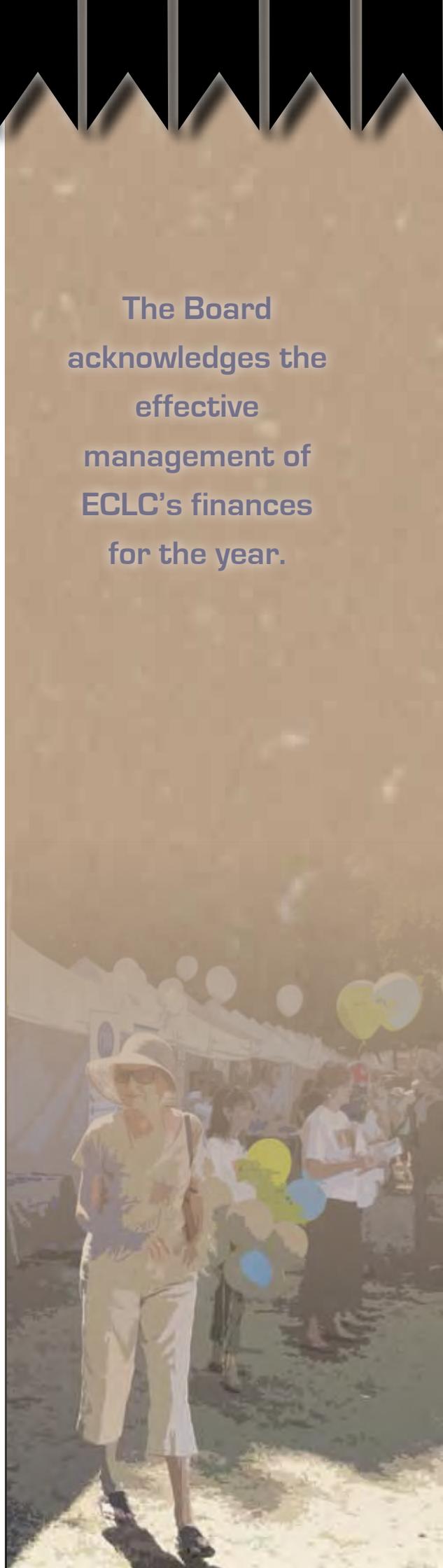
Employee Entitlements

Provision is made for the association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their minimal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. Contributions are made by the association to employee superannuation fund and are charged as expenses when incurred.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of the GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognized as part of the cost of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

The Board
acknowledges the
effective
management of
ECLC's finances
for the year.





INDEPENDENT AUDITOR'S REPORT

To the members of **EASTERN COMMUNITY LEGAL CENTRE INC**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of **EASTERN COMMUNITY LEGAL CENTRE INC** which comprises the balance sheet as at 30th June 2013, and the income statement, statement of changes in equity and cash flow statement for the year then ended.

Management's Responsibility for the Financial Report

The management of **EASTERN COMMUNITY LEGAL CENTRE INC** is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the needs of the members. The management's responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 judgement, 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Management's financial reporting requirement. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 relevant independence requirements.

Auditor's Opinion

In our opinion the financial report of **EASTERN COMMUNITY LEGAL CENTRE INC**

- (a) gives a true and fair view of **EASTERN COMMUNITY LEGAL CENTRE INC's** financial position as at 30th June 2013 and of its performance for the year ended on that date in accordance with appropriate accounting policies; and
- (b) complying with appropriate Australian Accounting Standards.


Janet Tully;

J L COLLYER & PARTNERS

17th October 2013



Eastern Community Legal Centre Inc.
Balance Sheet
As at 30 June 2013

	2013	2012
	\$	\$
Equity		
Services' Funds	145,257	109,225
Reserve Fund – Operational	-	20,000
Total Equity	145,257	129,225

Represented by:

Current Assets

Petty Cash – Box Hill	209	250
Petty Cash - Boronia	116	99
Cash at Bank – MECU Cheque A/C	7,436	4,060
Cash at Bank - MECU	9	9
Cash at Bank – Salary Packaging A/C	12,411	14,708
Cash at Bank - Bendigo Operating	168,057	127,535
Cash at Bank - Bendigo T/D	300,830	285,541
Security Deposit	2,400	2,350
Electronic Clearing Account	-	(30,485)
Trade Debtors	19,913	36,870
Acerued Income	5,000	2,608
Prepayments	7,046	7,256
	523,427	450,801

Non-Current Assets

Motor Vehicles	30,785	30,785
Less Accumulated Depreciation	11,128	4,576
	19,657	26,209

Office Furniture & Equipment	97,051	97,051
Less Accumulated Depreciation	78,576	71,559
	18,475	25,492
	38,132	51,701

Investments

Shares in Other Companies	5	5
	5	5

Total Assets	561,564	502,507
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Equity

Services' Funds	145,257	109,225
Reserve Fund – Operational	-	20,000
Total Equity	145,257	129,225

Represented by:

Current Assets

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Security Deposit	2,400	2,350
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Trade Debtors	19,913	36,870

Eastern Community Legal Centre Inc.
Income Statement
For the Year ended 30 June 2013

	2013	2012
	\$	\$
Income		
CLC Recurrent		
Commonwealth	197,500	191,820
State	590,635	531,688
Local Government	65,956	74,116
Fundraising & Donations	12,535	10,830
Interest Received	16,394	21,458
Services and Other Income	44,115	32,670
Memberships	100	114
Community Partnerships	494,853	347,739
Profit on Sale of Asset	-	2,967
Reserve Account Operating	20,000	-
	1,442,088	1,213,402
Expenditure		
Staffing		
Wages	1,059,189	862,261
Superannuation Contributions	87,182	73,856
Training & Oncosts	6,083	39,129
Workcover	2,387	2,303
Program Operations		
Legal Practice	24,920	21,866
Community Partnerships	-	1,250
Program Expenses	72,450	60,582
Volunteer Expenses	3,671	1,560
Property Costs		
Building Costs: R & M	20,701	17,884
Building Costs: Rent	45,325	43,834
Depreciation	13,569	18,511
Equipment Costs: R & M	15,889	8,729
Insurance	5,737	8,700
Motor Vehicle Costs	2,832	4,269
Administration Costs		
Board Costs	376	281
Finance Costs	2,633	3,602
Postage	2,639	2,993
Printing & Stationery	28,045	29,801
Telephone	12,428	10,397
	1,406,056	1,211,808
Operating Profit (Loss)	36,032	1,593

Statement of Changes in Equity
For the Year ended 30 June 2013

	2013	2012
	\$	\$
Services' Funds at the beginning of the financial year	109,225	107,631
Profit (Loss) attributable to Organisation	36,032	1,593
SERVICES' FUNDS AT 30 JUNE 2013	145,257	109,225

EASTERN COMMUNITY LEGAL CENTRE INC.
STATEMENT OF CASH FLOWS
For the year ended 30th June 2013

	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers, etc	1,413,554	1,112,628
Payments to suppliers and employees	(1,340,206)	(1,190,670)
Interest received	14,002	22,524
Net cash provided by (used in) operating activities (Note 2)	87,350	(55,518)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from (payment for) property, plant, equipment and motor vehicles	-	(20,384)
Proceeds from (payment for) investments	-	-
Net cash provided by (used in) investing activities	-	(20,384)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from (payment for) loans	-	-
Net cash provided by (used in) financing activities	-	-
Net increase (decrease) in cash held	87,350	(75,902)
Cash at beginning of year	401,717	477,619
Cash at end of reporting period (Note 1)	489,067	401,717

NOTES TO THE STATEMENT OF CASH FLOWS

NOTE 1. RECONCILIATION OF CASH

For the purposes of the statement of the cash flows, cash included cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months, net of bank overdrafts

(a) Reconciliation of Cash

Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Electronic Clearing		(30,485)
Cash at Bank - Maroondah Credit Union	7,436	4,060
Cash at Bank - Maroondah Credit Union	9	9
Cash at Bank - Bendigo Operating	168,057	127,535
Cash at Bank - Salary Packaging	12,411	14,708
Term Deposit	300,830	285,541
Cash on Hand - Box Hill	209	250
Cash on Hand - Boronia	115	99
	489,067	401,717

NOTE 2. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING PROFIT

Operating Profit(Loss) after income tax	36,032	(1,593)
Depreciation of Non-current Assets	13,569	18,511
Prior Year Adjustment	-	(1,058)
Changes in Net Assets and Liabilities - Fixed Assets	-	(2,967)
(Increase)/decrease in trade and term debtors	14,515	(33,072)
(Increase)/decrease in prepayments	210	(5,004)
Increase/(decrease) in trade creditors and accruals	33,124	1,578
Increase/(decrease) in other creditors	13,040	18,925
Increase/(decrease) in employee entitlements	(19,113)	(20,270)
Increase/(decrease) in sundry provisions	45,020	14,610
Increase/(decrease) in reserves	(20,000)	-
Increase/(decrease) in income in advance	(29,047)	(45,178)
	87,350	(55,518)

Eastern Community Legal Centre Inc.
Notes to the Financial Statements
For the year ended 30 June 2013

	2013	2012
	\$	\$
Note 2: Revenue		
Operating Activities		
CLC Recurrent		
Commonwealth	197,500	191,820
State	590,635	531,688
Local Government	65,956	74,116
Fundraising & Donations	12,535	10,830
Interest Received	16,394	21,458
Services and Other Income	44,115	32,670
Memberships	100	114
Community Partnerships	494,853	347,739
Profit on Sale of Asset	-	2,967
Reserve Account Operating	20,000	-
	1,442,088	1,213,402

The CLSP Allowable Deficit is \$6,911.

Office Equipment

Office Equipment	97,051	97,051
Less Accumulated Depreciation	78,576	71,559
	18,475	25,492

a) Movements

Carrying amount at beginning	25,492	30,635
Additions	-	6,600
Disposal	-	-
Depreciation expense	(7,017)	(11,743)
	18,475	25,492

Motor Vehicles

Motor Vehicles	30,785	30,785
Less Accumulated Depreciation	11,128	4,576
	19,657	26,209

a) Movements

Carrying amount at beginning	26,209	16,226
Additions	-	30,785
Disposal	-	(14,033)
Depreciation expense	(6,552)	(6,769)
	19,657	26,209

Janet L. Collyer (Partner)

J. L. COLLYER & PARTNERS

1st Floor, 189 Coleman Parade, Glen Waverley, VIC 3150

Date: 17th October 2013