

CONSUMER ACTION LAW CENTRE LIMITED
ABN 37 120 056 484

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2017

CONSUMER ACTION LAW CENTRE LIMITED
ABN 37 120 056 484

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2017

CONTENTS

ITEM	PAGE
Directors' Report	1-4
Auditor's Independence Declaration	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to and forming part of the accounts	10 - 21
Directors' Declaration	22
Independent Auditor's Report	23 - 24

DIRECTORS' REPORT

The directors of Consumer Action Law Centre Limited present their report together with the financial statements of Consumer Action Law Centre Limited ('the company') and its for the year ended 30 June 2017 and the Independent Audit Report thereon.

Directors' details

The following persons were directors of Consumer Action Law Centre Limited during or since the end of the financial year.

JOHN BERRILL

BA/LLB

John is the former head of the largest plaintiff superannuation/insurance practice in Australia - Maurice Blackburn – and is now a Principal at Berrill & Watson practising in superannuation, insurance & financial advice claims & disputes for workers/consumers Australia-wide.

DAVID BERRY

Bachelor of Business (Banking & Finance)

Master of Banking

David is the former General Manager, Broker Operations at NAB and has extensive experience in the areas of credit and debt.

PETER GARTLAN

Diploma of Community Services (Financial Counselling)

Cert IV Training & Assessment

Peter is the Executive Officer of the Financial and Consumer Rights Council, the peak body for Financial Counsellors in Victoria. He has 20 years of experience as a financial counsellor and youth worker with a focus on financial literacy. Peter is also on the board of the Energy & Water Ombudsman (Victoria).

ROSLYN HUNTER

Cert IV Training and Assessment

Grad Cert Finance

BBus (Accounting)

Roslyn's background is in corporate finance and business banking and also personal banking, having worked for two of the major banks for most of her career. She currently presents small business seminars and workshops for the Victorian Government Department of Innovation, Industry and Regional Development as well as other business training.

Roslyn was previously on the management committee of CCLS, one of the two predecessor organisations of Consumer Action and has a good appreciation and regard for the substantial body of policy and advocacy work the current management and staff continue to successfully build upon.

CONSUMER ACTION LAW CENTRE LIMITED

ABN 37 120 056 484

DIRECTORS' REPORT (cont.)

VIC MARLES

LLB

Vic Marles is the CEO of Trust for Nature, a statutory entity established by the Victorian Conservation Trust Act 1972 working in the area of private land conservation. Prior to that Vic was the first Legal Services Commissioner and CEO of the Legal Services Board, a position she held for four years. Vic was the Deputy Telecommunications Industry Ombudsman from 2002 to 2005. Vic worked as a lawyer with the Communications Law Centre from 1993 to 2002 and was the Deputy Director and manager of the Melbourne office. Vic was a legal member of the Guardianship Board and Guardianship List of VCAT for 10 years finishing in 2002. Vic has worked as a solicitor at Corrs and Holding Redlich.

Vic has held a number of board and council positions. She has been a member of the Consumers Federation of Australia Council and the TIO Council. She chaired the Board of Circus Oz for fourteen years until 2007. She has been member of the Board of the Victorian Arts Centre, the Victorian Women's Trust, the Australian Community Support Organisation and the Melbourne Writers Festival. She chaired Vic Health's Community Arts Participation Scheme program for 10 years finishing in 2007.

PAUL MURFITT

M. Soc. Sci

Paul is the Director of Energy Efficiency with the Victorian State Government. He holds a Research Masters in Social Science with an undergraduate degree focussed on social and environmental assessment and policy. Paul has worked on, studied and taught conservation and environment issues for over 20 years and currently lectures at RMIT University in Environmental Management.

He has worked for a range of organisations including the Moreland Energy Foundation Limited (2008-2016), Moreland City Council, and the Merri Creek Management Committee. Prior to that he spent over 9 years working for the State Government including the Sustainability Victoria team and has also worked as an independent sustainability consultant. Resigned 09/04/17.

BARBARA ROMERIL (Chair)

Master of Arts in Social Policy

Graduate Diploma in Social Science – Community Development

Bachelor of Science

Barbara is the director of Barbara Romeril Consulting, a specialist professional consulting service supporting leadership community service.

Barbara was former Executive Director of Community Child Care and has over twenty years experience working in community services, including five years as Executive Director of the peak body for financial counselling and consumer support services in Victoria. She has worked in federal and state government, large voluntary organisations and community based associations and has broad experience in community development, social policy, needs analysis, service development, implementation and review.

Barbara also has broad experience in governance of community organisations. She is currently a Director of the Consumer Action Legal Centre and was a consumer director on the Board of the Energy and Water Ombudsman of Victoria Inc. for five years. She was appointed by the Premier to the Victorian Relief Committee and has held the position of Vice-President of the Victorian Council of Social Services.

DIRECTORS' REPORT (cont.)

Principal Activities

The Consumer Action Law Centre is a campaign-focused consumer advocacy organisation based in Melbourne. As a community legal centre, Consumer Action provides free legal advice and pursues litigation on behalf of vulnerable and disadvantaged consumers across Victoria, and is the largest specialist consumer legal practice in Australia. As well as working with consumers directly, Consumer Action provides legal assistance and professional training to community workers who advocate on behalf of consumers.

As a financial counselling centre, Consumer Action operates The National Debt Helpline for Victoria, a not for profit email and telephone financial counselling service providing free, confidential and independent financial advice to Victorians experiencing financial difficulty. The National Debt Helpline is nationally-recognised as the first point of telephone contact in Victoria for anyone with financial counselling issues.

As a nationally-recognised and influential policy and research body, Consumer Action pursues a law reform agenda across a range of important consumer issues at a governmental level, in the media, and throughout the community directly.

Objectives

Our Vision

A just marketplace where people have power and business plays fair.

Our purpose

To make life easier for people experiencing vulnerability and disadvantage in Australia.

We use our skills in the law, financial counselling, policy and campaigning to make consumer markets fair. We do this by:

-Assisting and empowering people- by advising them about their rights, connecting them with services, and supporting them to be capable self-advocates.

-Supporting an effective community sector- by enabling community workers to help their clients through training, outreach and legal assistance.

-Shaping a fairer system- by leading change to policy, laws and industry practice. We also litigate in the public interest and work to improve access to justice.

-Our policy and advocacy work is informed by our experience assisting and representing people in Victoria and has a national reach. We're an independent organisation, based in Melbourne, and collaborate extensively.

CONSUMER ACTION LAW CENTRE LIMITED
ABN 37 120 056 484

DIRECTORS' REPORT (cont.)

Directors' Meetings

The number of meetings of Directors' (including meetings of committees) held during the year, and the number of meetings attended by each director, are as follows:

Board Member	Meetings entitled to attend	Meetings attended
Barbara Romeril	12	12
David Berry	11	11
John Berrill	9	6
Peter Gartlan	11	8
Roslyn Hunter	14	13
Vic Marles	11	10
Paul Murfitt	10	7

Contribution in Winding up

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up the constitution states that:

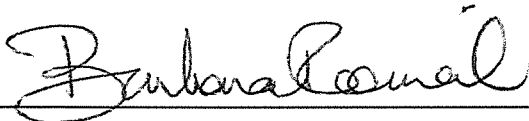
- (a) each Member; and
- (b) each person who has ceased to be a Member in the preceding year undertakes to contribute to the property of the Company for the:
 - (i) payment of debts and liabilities of the Company (in relation to clause 58.1(b), contracted before the person ceased to be a Member) and payment of costs, charges and expenses of winding up; and
 - (ii) adjustment of the rights of the contributories amongst themselves, may be required, not exceeding \$5.

At 30 June 2017, the total amount that members of the Company are liable to contribute if the Company is wound up is \$40 (2016: \$40).

Auditors Independence Declaration


A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profit Commission Act 2012 is included in page 5 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Directors':



Director

Dated: 12.10.17



Director

Dated: 17.10.17

AUDITOR'S INDEPENDENCE DECLARATION

To the directors of Consumer Action Law Centre Limited

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor of Consumer Action Law Centre Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- i. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.



Dated: 20th October 2017
Sean Denham & Associates
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

CONSUMER ACTION LAW CENTRE LIMITED

ABN 37 120 056 484

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED

30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	2	4,533,054	3,651,535
Other income	2	262,750	278,470
Employee benefits expense		(3,232,996)	(3,150,946)
Depreciation expense		(84,821)	(87,732)
Travel expense		(115,957)	(119,690)
Premises expense		(298,174)	(335,581)
Office overhead expenses		(92,280)	(81,000)
Finance & Accounting		(10,492)	(10,967)
Communication expenses		(40,665)	(39,930)
Library Resources & Subscriptions		(26,296)	(25,821)
Programming and planning expenses		(271,102)	(103,917)
Other expenses		<u>(44,737)</u>	<u>(129,179)</u>
Surplus / (deficit) before income tax		578,284	(154,758)
Income tax expense		<u>-</u>	<u>-</u>
Surplus / (deficit) for the year		578,284	(154,758)
Other comprehensive income for the period, net of income tax		<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the period		<u><u>578,284</u></u>	<u><u>(154,758)</u></u>

CONSUMER ACTION LAW CENTRE LIMITED
ABN 37 120 056 484

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,091,124	1,423,465
Trade and other receivables	5	350,149	266,654
Financial assets	4	1,528,460	1,257,258
Other assets	7	20,446	37,313
TOTAL CURRENT ASSETS		<u>3,990,179</u>	<u>2,984,690</u>
NON-CURRENT ASSETS			
Property, plant & equipment	6	164,797	243,879
TOTAL NON-CURRENT ASSETS		<u>164,797</u>	<u>243,879</u>
TOTAL ASSETS		<u>4,154,976</u>	<u>3,228,569</u>
CURRENT LIABILITIES			
Trade and other payables	8	319,306	264,979
Other liabilities	9	673,666	427,543
Provisions	10	307,768	281,739
TOTAL CURRENT LIABILITIES		<u>1,300,740</u>	<u>974,261</u>
NON-CURRENT LIABILITIES			
Provisions	10	67,170	45,526
TOTAL NON-CURRENT LIABILITIES		<u>67,170</u>	<u>45,526</u>
TOTAL LIABILITIES		<u>1,367,910</u>	<u>1,019,787</u>
NET ASSETS		<u>2,787,066</u>	<u>2,208,782</u>
EQUITY			
Retained profits		2,787,066	2,208,782
TOTAL EQUITY		<u>2,787,066</u>	<u>2,208,782</u>

CONSUMER ACTION LAW CENTRE LIMITED
ABN 37 120 056 484

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2017

	Retained Earnings \$	Total \$
Balance at 1 July 2015	2,363,540	2,363,540
Profit attributable to the entity	<u>(154,758)</u>	<u>(154,758)</u>
Balance at 30 June 2016	2,208,782	2,208,782
Profit attributable to the entity	<u>578,284</u>	<u>578,284</u>
Balance at 30 June 2017	<u><u>2,787,066</u></u>	<u><u>2,787,066</u></u>

CONSUMER ACTION LAW CENTRE LIMITED
ABN 37 120 056 484

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from core grants		3,256,640	3,159,292
Receipts from non-core grants		1,203,474	625,778
Receipts from customers and other sources		160,796	178,178
Payments to suppliers and employees		(3,751,497)	(3,905,653)
Interest received		75,190	81,658
		<u> </u>	<u> </u>
Net Cash provided by operating activities	11	<u>944,603</u>	<u>139,253</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment of funds in term deposits		(271,202)	(256,829)
Payments for purchase of property and equipment		(5,742)	(224,419)
		<u> </u>	<u> </u>
Net Cash provided by (used in) investing activities		<u>(276,944)</u>	<u>(481,248)</u>
Net increase (decrease) in cash held		667,659	(341,995)
Cash at the beginning of the year		1,423,465	1,765,460
Cash at the end of the year	3	<u><u>2,091,124</u></u>	<u><u>1,423,465</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017**

Note 1: General information and statement of compliance

Consumer Action Law Centre Limited has elected to apply Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. Consumer Action Law Centre Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

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 these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Directors on 30 November 2017.

Summary of accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

a. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Income Tax

No provision for income tax has been raised, as the entity is exempt from income tax under Div. 50 of the Income Tax Assessment Act 1997.

c. Property, Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

Note 1: Summary of accounting policies

c. Property, Plant and Equipment (cont.)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and other equipment. The following useful lives are applied:

Class of Fixed Assets	Useful Lives
Plant and Equipment	2.5 - 10 years
Leasehold Improvements	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Employee Entitlements

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

Note 1: Summary of accounting policies (cont.)

d. Employee Entitlements (cont.)

Other long-term employee benefits (cont.)

incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

e. Provisions

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

f. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is an 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 asset's carrying value over its recoverable amount is expenses to the income statement.

g. Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

Note 1: Summary of accounting policies (cont.)

h. Revenue

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as a liability.

Grant Income

Grant income received, other than for specific purposes, is brought to account for the period to which the grant relates.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

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

i. 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 of an item of the 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 gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

j. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity 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 sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expenses to profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

Note 1: Summary of accounting policies (cont.)

j. Financial Instruments (cont.)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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 amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. 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.

(i) *Financial assets at fair value through profit or 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, 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 group 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 amount being included in profit or loss.

(ii) *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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

Note 1: Summary of accounting policies (cont.)

j. Financial Instruments (cont.)

Classification and subsequent measurement

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income.

When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

Note 1: Summary of accounting policies (cont.)

j. Financial Instruments (cont.)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity 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 discharged, cancelled or have expired. The difference between the carrying amount 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.

Classification and subsequent measurement of financial liabilities

Financial liabilities include borrowing and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

k. Economic dependence

The company is dependent upon the ongoing receipt of Federal and State Government grants and other grants to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

l. 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

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

Note 1: Summary of accounting policies (cont.)

I. Significant management judgement in applying accounting policies (cont.)

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. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

CONSUMER ACTION LAW CENTRE LIMITED
ABN 37 120 056 484

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

	2017 \$	2016 \$
Note 2: Revenue		
Revenue from (non-reciprocal) government grants and other grants:		
Core grants VLA State	1,168,656	990,912
VLA State - utilised (surplus) in current year	(118,475)	44,491
Core grants VLA Commonwealth	321,388	301,693
Core grants CAV	1,642,915	1,505,357
Core grants others	304,096	298,279
Non core grants	<u>1,214,474</u>	<u>510,803</u>
	<u>4,533,054</u>	<u>3,651,535</u>
Other income:		
- interest	75,190	76,598
- consulting and sitting fees	72,376	41,145
- refunds and reimbursements	43,333	79,503
- rental income	57,851	81,224
- donations	<u>14,000</u>	<u>-</u>
	<u>262,750</u>	<u>278,470</u>
	<u>4,795,804</u>	<u>3,930,005</u>
Note 3: Cash and cash equivalents		
Cash on hand	80	11
Cash at bank	258,669	348,454
Cash on deposit	<u>1,832,375</u>	<u>1,075,000</u>
	<u>2,091,124</u>	<u>1,423,465</u>
Note 4: Financial assets		
Term deposits greater than 3 months	<u>1,528,460</u>	<u>1,257,258</u>
	<u>1,528,460</u>	<u>1,257,258</u>
Note 5: Trade and other receivables		
Accounts Receivable	<u>350,149</u>	<u>266,654</u>
	<u>350,149</u>	<u>266,654</u>

The company's trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be impaired.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017**

Note 6: Property, plant & equipment

Details of the company's property, plant and equipment and their carrying amounts are as follows:

	Leasehold Improvements \$	Plant & Equipment \$	Total \$
Gross Carrying amount			
Balance 1 July 2016	221,328	202,321	423,649
Additions	-	5,742	5,742
Disposals	-	-	-
Balance 30 June 2017	<u>221,328</u>	<u>208,063</u>	<u>429,391</u>
Depreciation and impairment			
Balance 1 July 2016	(40,575)	(139,195)	(179,770)
Disposals	-	-	-
Depreciation	(44,266)	(40,558)	(84,824)
Balance 30 June 2017	<u>(84,841)</u>	<u>(179,753)</u>	<u>(264,594)</u>
Carrying amount 30 June 2017	<u>136,487</u>	<u>28,310</u>	<u>164,797</u>

All depreciation and impairment charges (or reversals if any) are included within 'depreciation and amortisation' and 'impairment of non-financial assets'.

	2017 \$	2016 \$
Note 7: Other assets		
Accrued Income	9,555	27,423
Prepayments	<u>10,891</u>	<u>9,890</u>
	<u>20,446</u>	<u>37,313</u>
Note 8: Trade and other payables		
Trade Creditors	35,561	11,313
Other creditors and accruals	36,345	58,020
BAS Payable	125,705	136,175
Lease Incentive	<u>121,695</u>	<u>59,471</u>
	<u>319,306</u>	<u>264,979</u>
Note 9: Other liabilities		
Deferred income - VLA Surplus	138,192	19,717
Deferred income - VLA ERO Extra	150,952	150,952
Deferred income - other	<u>384,522</u>	<u>256,874</u>
	<u>673,666</u>	<u>427,543</u>

VLA ERO Extra carried forward includes \$56,700, (2015/16), \$48,471 (2014/15), \$32,993 (2013/14) and \$12,788 (2012/13) for future years.

CONSUMER ACTION LAW CENTRE LIMITED

ABN 37 120 056 484

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2017

	2017	2016
	\$	\$
Note 10: Provisions		
CURRENT		
Provision for annual leave	145,132	159,948
Provision for Long Service Leave	162,636	121,791
	<u>307,768</u>	<u>281,739</u>
NON-CURRENT		
Provision for Long Service Leave	<u>67,170</u>	<u>45,526</u>
 Note 11: Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit after income tax	578,284	(154,758)
Cash flows excluded from operating profit attributable to operating activities:		
Non-cash flows in profit		
- Depreciation	84,824	87,732
- loss on disposal of assets	-	7,696
Changes in assets and liabilities;		
- (Increase)/decrease in trade and other debtors	(83,495)	(4,221)
- (Increase)/decrease in other assets	16,867	978
- Increase/(decrease) in trade and other payables	54,327	28,270
- Increase/(decrease) in provisions	47,673	35,800
- Increase/(decrease) in other liabilities	246,123	137,756
Net cash provided by Operating Activities	<u>944,603</u>	<u>139,253</u>

Note 12: Operating Leases

The company's future minimum operating lease payments are as follows:

	Within 1 year \$	1 to 5 years \$	After 5 years \$	Total \$
30 June 2017	301,523	639,711	-	941,234

Lease expense during the period amounted to \$298,174 representing the minimum lease payments.

The property lease commitment is a non-cancellable operating lease with a lease term of 5 years.

Increases in lease commitments will occur at a rate of 4% over the previous years rent in accordance with the agreement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

Note 13: Related party transactions

The company's related parties include its Key Management Personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

a) Transactions with related entities

Transactions were entered into with related entities during the year were as follows:-

	2017	2016
	\$	\$
Barbara Romeril Consulting	38,893	-

b) Transactions with Key Management Personnel

	2017	2016
	\$	\$
KMP Compensation	161,999	156,418

Note 14: Contingent liabilities

There are no contingent liabilities that have been incurred by the company in relation to 2016 or 2017.

Note 15: Comparative Figures

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

When the 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.

Note 16: Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Note 17: Member's Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstandings and obligations of the entity. At 30 June 2017 the number of members was 8 (2016: 8).

Note 18: Company Details

The registered office of the company is:
Consumer Action Law Centre
Level 6, 179 Queen Street
Melbourne VIC 3000.

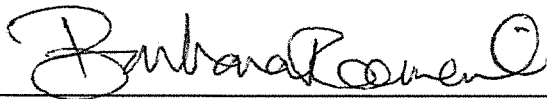
CONSUMER ACTION LAW CENTRE LIMITED
ABN 37 120 056 484

DIRECTOR'S DECLARATION

In the opinion of the Directors of Consumer Action Law Centre Limited:

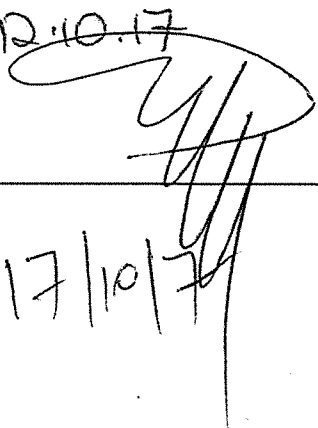
1. The financial statements and notes, as set out on pages 1 to 21 are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012*, including:
 - (a) giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
 - (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profit Commission Act 2012*; and
2. There are reasonable grounds to believe that Consumer Action Law Centre Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director

Dated: 12.10.17



Director

Dated: 17/10/17

CONSUMER ACTION LAW CENTRE LIMITED
ABN 37 120 056 484

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CONSUMER ACTION LAW CENTRE LIMITED

Opinion

I have audited the accompanying financial report, of Consumer Action Law Centre Ltd., which comprises the statement of financial position as at 30 June 2017, statement of changes in equity, statement of cash flows and the statement of comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of Consumer Action Law Centre Ltd. has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) gives a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the company in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibility of the Board for the Financial Report

The board of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 of the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The board's responsibility also includes such internal control as the board determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sean Denham

Dated: 20th October 2017
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039