



PILBARA COMMUNITY LEGAL SERVICE INC.

Empowering the people of the Pilbara to manage their lives effectively.

Annual Report 2010-2011



SCHEDULE 3

Certificate of Compliance

This schedule is established in respect of the 2010/2011 financial year for Pilbara Community Legal Service Inc

Contact Officer: Nanette Williams

Tel: (08) 9140 1613 (S.Hedland)

Tel: (08) 91855899 (Karratha)

M. 0417 180 859

The Pilbara Community Legal Service Inc certifies that:

The funds have been used for the purpose for which they were provided;

The terms and conditions of the service agreement have been met; and

The audited financial statements in respect of funds have been certified by an auditor in accordance with the Corporation Act 2001 and are attached, and

Salaries and allowances paid to staff using funds are in accordance with award salary rates or general rates in force at Pilbara Community Legal Service Inc

SIGNED for and on Behalf of


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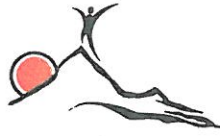
Pilbara Community Legal Service Inc

By Cecilia Blanchard..... (Chairperson)

).....C. Blanchard

In the Presence of


.....



BOARD OF MANAGEMENT

CHAIRPERSON'S REPORT FOR THE FINANCIAL YEAR 2010-2011

Looking back on another year, I marvel at the milestones and goals that have been achieved in a difficult financial climate. The pace of change in the community sector continues to accelerate. Compared to just a few years ago, competition for funding is much higher and more stretched; the requirements of funding providers is greater; the methods of obtaining government and other funds more complex and uncertain; the need for documentation and traceability significantly increased; the expectations of staff higher; and the needs of clients more demanding.

Thankfully, there are some mitigating factors such as the increased knowledge base of the sector, improved training and skills, better informed and trained boards and a greater understanding by the community and the business world of the need to assist and work with not-for-profit organisations.

Not-for-profit organisations are faced with coping with the adverse consequences of change while leveraging the positive elements of change.

Pilbara Community Legal Service not only rose to the challenge, but surpassed it above and beyond all expectations. Our targets were exceeded and our realised goals made a difference for our community. There is much for us to be proud of and with this in mind I would like to share with you some of the highlights of our 2010/11 year.

- We successfully attracted funding for the delivery of the following new services for the people of the Pilbara:

- Homelessness Housing Support Service
- Homelessness Housing Support – Drug and Alcohol Service
- Public Tenancy Support Service for the townships of Newman and Roebourne
- Domestic Violence Outreach Service
- Family & Domestic Violence Case Management Coordination Service
- W.A. “One-Life Suicide Prevention Strategy” – Community Coordinator Service
- Lotterywest support for physical resources for all programs

- Successfully acquired affordable housing for some key personnel.

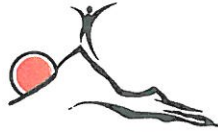
- Established a fifth office in a central location in Karratha for the delivery of Family and Domestic Violence Services.

- The Newman service relocated in the new “Newman House” development.

- Contributed to the development of the W.A. Regional and State Plans to address homelessness.

Our challenges for the year ahead are to:

- Remain alert to volatile changes in the economy
- Build on our “one-team thinking”
- Continue to develop our client focus which is central to the culture of our service.



Our long term plan focusses on:

- Strengthening our program delivery based on community needs
- Reinforcing our safety and risk management policies and procedures
- Securing and expanding long term revenue streams
- Building on our profile
- Continuous review of our performance to meet current and future expectations from all stockholder groups.

I would like to acknowledge the commitment and dedication of our staff and my fellow Board members for their passion and belief in what we do to “empower the people of the Pilbara to live their lives effectively”.

Cecelia Brownhill
Chairperson

CHIEF EXECUTIVE OFFICER

ANNUAL REPORT 2010-2011



Being recognised as one of the most successful not for profit organisation in the Pilbara has not lessened the challenges we have faced during the course of the last twelve months, most of which arose in a large part from the contradiction between the need to obtain income from, largely Government sources, and getting the critical resource - labour, from the competitive labour market. The ever increasing infrastructure costs, specifically housing and office rental, imminent wage increases and issues that arose from the introduction of the New Modern Awards also required diligence.

2011 sees my employment with the organisation in its tenth year and my role as the CEO in its fourth year. The objective I have always kept firmly in mind was to make sure the organisation evolved, and became more and more effective by applying a target for improvement and growth for each year. Growth that would see the delivery of additional vital core services that were needed to address the issues that presented on a daily basis. To do this it was important to ensure that all aspects of our organisation were as cost effective as possible by applying an annual cost review and careful economies along the way that did not impact on the quality of the service.

Caution needed to be exercised to ensure that we accurately assessed the cost of supplying new services for the lifetime of the contract. During the course of the last financial year, we were successful in securing five new programmes. Funding for these programs was the result of a Federal and State Government joint partnership to address Homelessness. We are grateful to the Department of Child Protection for their confidence in our organisation's ability to deliver these services. We also thank Lotterywest for assisting us with funding for the acquisition of the physical resources that have enabled us to provide these vital new services that have already contributed to improving the lives of many members of our community.

This rapid growth for the organisation required rapid adjustment and a need for all staff to apply even more importance to their involvement and direct connection with the communities with which we work. This can be a challenge for any organisation whose services are being delivered in a number of geographically diverse communities. However, engaging at that local level and maintaining meaningful connection was something we all strove to aspire to achieve.

We have reached a size where growth no longer needs to be the focus. While our organisation's innovation has been largely driven by thinking holistically about delivering a client supportive service that achieves good outcomes for families, we must also continue to ensure that the client is placed at the centre of every policy, procedure and action taken by the organisation.

During the year, every effort has been made to ensure that our staff were encouraged to continually increase their knowledge through developing skills and insight by attending forums and conferences and then sharing new ideas so that there was overall learning for the team. Our Hedland and Newman Financial Counsellors are to be congratulated for attaining their financial counselling diploma and accreditation by the Financial Counselling Association of W.A.

I take this opportunity to thank Rio Tinto for selecting me as a recipient for a scholarship to undertake the accredited Company Directors Course via the Australian Institute of Company Directors. I was also delighted to be a recipient of the Tax Help Community Service Five Year Award and my appreciation to the Board for the on-going professional development training they have enabled me to undertake.

A Ministerial appointment to the Homelessness Council of Western Australia has also, I believe, enabled me to provide a focus for the Pilbara Region on a number of issues and contributed to ensuring a regional plan was developed so as to see the Pilbara well represented within the State Plan on Homelessness.

My pledge as we move on to another financial year is to ensure that our organisation does not lose its sense of purpose, that there will be a constant renewal of the understanding and belief in our mission statement and client focus will continue to be central to the culture of our service.

Thank you to a dedicated team of staff and to my Board of Management for their vigilance, their support and their commitment to the core values of our organisation which shape all decisions and actions.



Nanette Williams
Chief Executive Officer

**PILBARA COMMUNITY LEGAL SERVICE INC
INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED JUNE 30th 2011**

Scope

I have audited the accompanying financial report for the Pilbara Community Legal Service Inc which comprises the Committee's Report, Income and Expenditure Statement, Detailed Balance Sheet, Statement of Cash Flows, Notes to the Financial Statements (including Statement of Significant Accounting Policies and other explanatory notes) and the Statement by Members of the Governing Committee for the financial year ended June 30th 2011.

Committee's Responsibility for the Financial Report

The Governing Committee of the Corporation is responsible for the preparation and fair presentation of the Financial Report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations). This includes responsibility for the design, implementation 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.

Auditors Responsibility

My responsibility is to express an opinion on the Financial Report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 these risk assessments, the auditor considers internal control relevant to the Corporation'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 Corporation's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Governing Committee, as well as evaluating the overall presentation of the Financial Report.

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

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

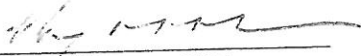
The audit opinion expressed in these statements has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of the Pilbara Community Legal Service are properly drawn up:

1. so as to give a true and fair view of the state of affairs as at 30th June 2011 and the surplus of income over expenditure for the financial year ended on that date;
2. in accordance with the provisions of the Association's constitution; and
3. in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

Signed at Roleystone this 28th day of October 2011


Ray McManus CPA

ARALUEN ACCOUNTANCY
57 Ridgehill Rise
Roleystone WA 6111

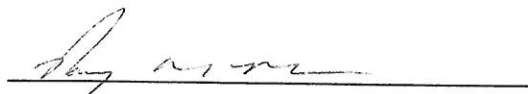
**AUDITOR'S CERTIFICATION STATEMENT
(WHOLE ORGANISATION)
For the Year Ending June 30th 2011**

Auditor's Certification

I hereby certify that, in my opinion, the attached financial statements of the **Pilbara Community Legal Service Incorporated** for the period **1 July 2010 to 30 June 2011** comprising the Committee's Report, Statement of Financial Performance, Balance Sheet, Statement of Cash Flows, Notes to the Financial Statements (including Statement of Significant Accounting Policies and other explanatory notes), Income and Expenditure Statement, and the Statement by Members of the Governing Committee are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Pilbara Community Legal Service Incorporated as at **30 June 2011** and its financial performance and its cash flows for the year then ended.

AUDITOR

Signature:



Full Name:

Raymund Anthony McManus

Name of Organisation

Araluen Accountancy

Membership:

1861367 CPA

Date:

October 29th 2011

Pilbara Community Legal Service Inc.
ABN 43 336 581 511
Board of Management's Report
For the year ended 30 June 2011

Your Board of Management submit the financial accounts of the Pilbara Community Legal Service Inc. for the financial year ended 30 June 2011.

Board of Management Members

The names of the Board of Management members at the date of this report are:

Cecelia Brownhill - Chairperson

Steve Gwynne - Deputy Chairperson

Roz Brabazon - Secretary

Dale Purdy - Treasurer

Jane Ablett

Nicky Latham

Bronwyn Elvey

Principal Activities

The principal activities of the association during the financial year were the provision of the following

services throughout the Pilbara region including Hedland, Newman, Roebourne and Karratha:

- Domestic Violence and Victim Support Service;
- Domestic Violence and Outreach Service;
- Legal assistance to victims of Family Violence;
- Solicitor - Legal Advice - Family Law;
- Tenants' Education and Advocacy Service;
- Indigenous Tenancy Support Service;
- Financial Counselling Services;
- Supported Housing Assistance Program;
- Indigenous Womens Program;
- Rural Womens Outreach Lawyer Program.
- Family and Domestic Violence Case Management Coordination.
- Homelessness Housing Support Service
- Public Tenancy Support Service
- Housing Support Service Drug and Alcohol
- One-Life Suicide Prevention Strategy Community Coordinator

Significant Changes

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

Indemnifying Officers and Auditor

These financial statements are audited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Board of Management's Report

For the year ended 30 June 2011

No Indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Association.

**Board of Management Members and
Executive Officers Emoluments**

No Board of Management member has received or become entitled to receive during or since the end of the financial year, a benefit or contract made by the Association with the Board of Management member or an entity of which the Board of Management Member has a substantial financial interest.

Auditors Independence Declaration

An Auditors Independence declaration for the year ending 30 June 2011 has been received and forms part of this financial report.

Operating Result

The surplus from ordinary activities after providing for income tax amounted to

	Year ended 30 June 2011	Year ended 30 June 2010
	\$	\$
Surplus from ordinary activities	184,044	146,737
Less transfer to Grants Refundable Liability	(21,036)	(25,967)
Plus transfer from Grants Refundable Liability	25,967	0
Surplus attributable to the Association	<u>188,975</u>	<u>120,770</u>

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



Chairperson : Cecelia Brownhill



Secretary: Roz Brabazon

These financial statements are audited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

Pilbara Community Legal Service Inc.
ABN 43 336 581 511
Statement of Financial Performance
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
Revenues from ordinary activities	2	2,357,635	1,627,956
Depreciation and amortisation expenses	3	(77,923)	(45,568)
Other expenses from ordinary activities		(2,095,668)	(1,435,651)
Surplus / (Deficit) from ordinary activities		184,044	146,737
Opening Retained Surplus / (Deficit)		214,408	202,596
Transfers to Asset Reserve		(128,017)	(108,958)
Transfers From Grant Refundable Liability		25,967	0
Transfers to Grant Refundable Liability		(21,036)	(25,967)
Net surplus attributable to programs of the association		275,366	214,408

These financial statements are audited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Balance Sheet As At 30 June 2011

	Note	2011 \$	2010 \$
Current Assets			
Cash assets	5	867,506	626,623
Receivables	7	87,667	182,162
Other	7	19,054	13,200
Total Current Assets		<u>974,227</u>	<u>821,985</u>
Non-Current Assets			
Property, plant and equipment	8	275,560	203,163
Other	8	0	14,988
Total Non-Current Assets		<u>275,560</u>	<u>218,151</u>
Total Assets		<u>1,249,787</u>	<u>1,040,136</u>
Current Liabilities			
Payables	9	215,017	256,267
Current tax liabilities	10	29,013	18,499
Provisions	11	133,085	93,366
Total Current Liabilities		<u>377,115</u>	<u>368,132</u>
Non-Current Liabilities			
Provisions	11	25,699	14,006
Total Non-Current Liabilities		<u>25,699</u>	<u>14,006</u>
Total Liabilities		<u>402,814</u>	<u>382,138</u>
Net Assets		<u>846,973</u>	<u>657,998</u>
Equity			
Reserves	4	571,607	443,590
Retained Surpluses	15	275,366	214,408
Total Members' Funds		<u>846,973</u>	<u>657,998</u>

These financial statements are audited. They must be read in conjunction with the attached Accountant's
Compilation Report and Notes which form part of these financial statements.

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Statement of Cash Flows

For the year ended 30 June 2011

	2011 \$	2010 \$
Cash Flow From Operating Activities		
Receipts from customers	2,433,359	1,423,883
Payments to Suppliers and employees	(2,070,060)	(1,204,582)
Interest received	12,916	10,087
Net cash provided by (used in) operating activities (note 6)	<u>376,215</u>	<u>229,388</u>
Cash Flow From Investing Activities		
Payments for Assets	(135,332)	(123,946)
Proceeds from Sale of Assets	0	400
Net cash provided by (used in) investing activities	<u>(135,332)</u>	<u>(123,546)</u>
Net increase (decrease) in cash held	240,883	105,842
Cash at the beginning of the year	<u>626,623</u>	<u>520,781</u>
Cash at the end of the year (note 5)	<u><u>867,506</u></u>	<u><u>626,623</u></u>

These financial statements are audited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

Pilbara Community Legal Service Inc.
ABN 43 336 581 511
Notes to the Financial Statements
For the year ended 30 June 2011

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 [CATSI Act]

The financial report covers Pilbara Community Legal Service Inc. as an individual entity. Pilbara Community Legal Service Inc. is an association incorporated in Western Australia under the CATSI Act.

The financial report of Pilbara Community Legal Service Inc. complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(A) Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Pilbara Community Legal Service Inc. has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from the 1 July 2005.

The accounting policies set out below have been consistently applied to all years presented. The entities have however elected to adopt exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer the Notes for further details.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(B) Accounting Policies

Income tax

Pilbara Community Legal Services Inc is recognised as a Tax Exempt charitable organisation by the Australian Taxation Office. Hence there is no requirement for the association to pay income taxes. Hence, no tax effect accounting applies to these Financial Reports.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

a) Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Notes to the Financial Statements

For the year ended 30 June 2011

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

Subsequent costs are included in the asset's carrying amount recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

b) Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing line basis over their useful lives to Pilbara Community Legal Service Inc. commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Asset	Depreciation Rate %
Leasehold improvements	[4-30 %]
Plant and equipment	[20-40 %]
Other plant and equipment	[10-30 %]
Motor vehicles	[18.75 -25 %]

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

Financial Instruments

a) Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are stated at amortised cost using the effective interest rate method.

c) Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective interest rate method.

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Notes to the Financial Statements

For the year ended 30 June 2011

d) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

e) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

i) Impairment

At each reporting date, the committee members assess whether there is objective evidence that financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Impairment of Assets

At each reporting date, the committee members review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Provisions

Provisions are recognised when Pilbara Community Legal Service Inc. has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

Revenue

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

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Notes to the Financial Statements

For the year ended 30 June 2011

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

Grant revenue is recognised when the right to receive a grant has been established

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Goods and Service 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 balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparative Figures

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

a) Critical accounting estimates and judgments

The committee members evaluate estimates and judgments incorporated into the financial report 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 internally.

Key estimates - Impairment

The committee members assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for the year ended 30 June 2011.

Key judgments - Doubtful debts provision

The committee members believe that the full amount of the debt is recoverable and no doubtful debt provision has been made at 30 June 2011.

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Notes to the Financial Statements

For the year ended 30 June 2011

2011

2010

Note 2: Revenue and Other Income

Revenue:

Interest revenue	12,916	10,087
Other income	7,327	38,081
Grants Received	2,130,205	1,575,212
Service Generated Income	207,187	1,891
FBT Refund	0	2,685
	<u>2,357,635</u>	<u>1,627,956</u>

Note 3: Surplus from Ordinary Activities

Surplus (Deficit) from ordinary activities before
income tax has been determined after:

Charging as Expense:

Depreciation of non-current assets:

- Plant and equipment	<u>77,923</u>	<u>45,568</u>
Total depreciation expenses	<u>77,923</u>	<u>45,568</u>

Pilbara Community Legal Service Inc.
ABN 43 336 581 511
Notes to the Financial Statements
For the year ended 30 June 2011

	2011	2010
<hr/>		
Note 4: Reserves		
Balance at the beginning of the reporting period		
General Reserve	109,094	109,094
Asset Reserve	334,496	225,538
	<u>443,590</u>	<u>334,632</u>
Increase (decrease) in reserves during the reporting period:		
Asset Reserve	128,017	108,958
	<u>128,017</u>	<u>108,958</u>
Balance at the reporting date		
General Reserve	109,094	109,094
Asset Reserve	462,513	334,496
	<u>571,607</u>	<u>443,590</u>

Nature and purpose of each class of reserve:

- General Reserve

The general reserve records funds set aside for the future expansion of the economic entity

- Asset Reserve

The Asset reserve records funds that have been used to purchase Fixed Plant & Equipment and Motor Vehicles from accounting profits. This is consistent with the program funding basis that the association operates as Asset spending is not expensed from accounting profit, but is expended from program funds.

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Notes to the Financial Statements

For the year ended 30 June 2011

2011

2010

Note 5. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

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

Bank accounts:

Cash at bank	549,970	280,659
Term Deposit	14,417	13,715
Term Deposits	150,000	151,966
Bigsky Term Deposit	110,870	104,250
Indigenous Tenancy Advocacy	43,327	76,033
Other cash items:		
Electronic Clearing Account	(1,078)	0
	<u>867,506</u>	<u>626,623</u>

Note 6. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Surplus

Operating surplus (deficit) after tax	184,044	146,737
Loss on disposal of assets	0	552
Depreciation	77,923	45,568
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	88,640	(193,987)
Increase (decrease) in trade creditors and accruals	(36,319)	196,215
Increase (decrease) in other creditors	10,515	(5,963)
Increase (decrease) in employee entitlements	51,412	40,266
Net cash provided by operating activities	<u>376,215</u>	<u>229,388</u>

These financial statements are audited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

Pilbara Community Legal Service Inc.
ABN 43 336 581 511
Notes to the Financial Statements
For the year ended 30 June 2011

	2011	2010
Note 7: Receivables		
Current		
Trade debtors	84,353	129,082
Lotteries grant receivable	0	48,958
Interest receivable	3,314	4,122
	<u>87,667</u>	<u>182,162</u>
 Tennant bonds and prepayments	 19,054	 13,200
	<u>106,721</u>	<u>195,362</u>
 Note 8: Property, Plant and Equipment		
Leasehold improvements:		
- At cost	74,412	59,424
- Less: Accumulated depreciation	(38,264)	(30,669)
	<u>36,148</u>	<u>28,755</u>
Plant and equipment:		
- At cost	183,474	134,831
- Less: Accumulated depreciation	(97,267)	(58,567)
	<u>86,207</u>	<u>76,264</u>
Motor vehicles:		
- At cost	225,523	138,834
- Less: Accumulated depreciation	(72,318)	(40,690)
	<u>153,205</u>	<u>98,144</u>
Capital works in progress:		
- At cost	0	14,988
	<u>0</u>	<u>14,988</u>
	<u>275,560</u>	<u>218,151</u>

These financial statements are audited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

Pilbara Community Legal Service Inc.
ABN 43 336 581 511
Notes to the Financial Statements
For the year ended 30 June 2011

	2011	2010
<hr/>		
Note 9: Payables		
Unsecured:		
- Trade creditors	18,445	176,556
- Other creditors	175,536	53,744
- Grants Refundable	21,036	25,967
	<u>215,017</u>	<u>256,267</u>

Note 10: Tax Liabilities

Current

GST payable control account	31,618	30,337
Input tax credit control account	(16,115)	(22,474)
Amounts withheld from salary and wages	13,510	10,636
	<u>29,013</u>	<u>18,499</u>

Note 11: Provisions

Current

Employee entitlements*	133,085	93,366
	<u>133,085</u>	<u>93,366</u>

Non Current

Employee entitlements*	25,699	14,006
	<u>25,699</u>	<u>14,006</u>
	<u>158,784</u>	<u>107,372</u>

* Aggregate employee entitlements liability

There were 22 employees at the end of the year

Provision for Employee Entitlements

These financial statements are audited. They must be read in conjunction with the attached Accountant's
 Compilation Report and Notes which form part of these financial statements.

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Notes to the Financial Statements

For the year ended 30 June 2011

2011

2010

A provision has been recognised for employee entitlements relating to annual, sick and long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note: Statement of significant account policies.

Note 12: Auditors' Remuneration

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	3,000	2,500
Other services	0	0
	<u>3,000</u>	<u>2,500</u>

Note 13: Events Subsequent to Reporting Date

Since the end of the financial year there have been no events subsequent to reporting date that will impact the financial position of the Pilbara Community Legal Service Incorporated.

Note 14: Financial Risk Management

a) Financial Risk Management Policies

The Associations' financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable.

The Corporation does not have any derivative instruments at 30 June 2011.

(i) Risk Management

The Governing Committee members meet on a regular basis to analyse financial risk exposure and to evaluate management strategies in the context of the most recent economic conditions and forecasts.

The Governing Committee's overall risk management strategy is to seek outside consultants and advisors to assist the Corporation in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are implemented and reviewed by the Governing Committee on a as needed basis. These include the use of credit risk policies and future cashflow requirements.

(ii) Financial Risk Exposure and Management

The main risks the Association is exposed to, through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

At 30 June 2011 the Association did not have any debt incurring interest.

Liquidity Risk

Pilbara Community Legal Service Inc.

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Notes to the Financial Statements

For the year ended 30 June 2011

2011

2010

The Association manages liquidity risk by monitoring forecast cash flows ensuring that adequate liquidity is maintained. At 30 June 2011 the Association had no need to have unutilised borrowing facilities.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets, is the carrying amount, net of any provisions for impairment

of those assets, as disclosed in the Balance Sheet and notes of the Financial Statements.

The Board of Management monitors credit risk by actively assessing the rating quality and liquidity of counter parties

- Only banks and financial institutions with an 'A' rating are utilised;

- All potential members are rated for credit worthiness taking into account their particular circumstances and financial standing; and

- Customers. The Board of Management of the Association assesses customer's credit worthiness based on an individual basis.

At year end the Association does not have any material credit risk exposure to any single receivable or group of receivable under financial instruments entered into by the Association.

Price Risk

The Association is not exposed to any material commodity price risk.

The receivables balance as at 30 June 2011 does not include any counterparties with external credit ratings.

b) Financial Instruments composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Balance Sheet

Financial Instruments - Floating Interest Rate Exposure

Cash Assets	867,506	626,623
Total financial instruments with floating interest rate exposure	<u>867,506</u>	<u>626,623</u>
Financial Instruments - Non Interest Bearing		
Receivables	106,721	195,362
Total financial instruments with non interest rate exposure	<u>106,721</u>	<u>195,362</u>
Payables		
Trade creditors and payables	215,017	256,267
Tax Liabilities	29,013	18,499
Total payables	<u>244,030</u>	<u>274,766</u>

Payables are expected to be paid within less than 6 months

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Notes to the Financial Statements

For the year ended 30 June 2011

2011

2010

Note 15: Segment Reporting

The Pilbara Community Legal Service Inc operates a number of individually funded programs and treats them as different segments for the purposes of financial reporting. Below is a summary of the end of year surpluses of each segment;

Newman Financial Counselling Service	748	(173)
Karratha Financial Counselling Service	1,320	745
Hedland Financial Counselling Service	3,432	910
Roebourne Financial Counselling Service	5,517	4,547
Tenancy and Education Services	8,790	2,304
Indigenous Womens Outreach Program	(3,043)	1,105
Rural Womens Outreach Program	(9,902)	2,710
Project Money	58,779	40,161
Generalist	3,534	2,499
Administration	2,757	6,906
Indigenous Tenancy	0	0
W.A. Law Society - Public Purpose Trust - Solicitor	7,803	12,191
Supported Housing assistance Program	3,493	0
Public Housing Support Worker - Newman	1,662	0
Public Housing Support Worker - Roebourne	12,968	0
Domestic Violence Advocacy & Victim Support Services	14,242	1,416
Domestic Violence Advocacy - VSS Project	0	0
Domestic Violence Outreach	26,237	0
Domestic Violence - Case Management	12,456	0
Family Violence Victims Rights	28,285	0
WA Suicide Prevention	6,514	0
Homelessness Housing Support Service	50,490	48,935
Housing Support D & A	58,454	54,333
FRC	27,012	27,000
Country Lawyer	(46,182)	8,819
Lotteries West Grant NPA	0	0
Total	<u>275,366</u>	<u>214,408</u>

The following pages contain the detailed Income and Expenditure reports relating to each funding program listed above.

These financial statements are audited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

Pilbara Community Legal Service Inc.

ABN 43 336 581 511

Compilation Report to Pilbara Community Legal Service Inc.

On the basis of the information provided by the Board of Management of Pilbara Community Legal Service Inc., we have compiled, in accordance with APES 315: Compilation of Financial Reports, the general purpose financial report of Pilbara Community Legal Service Inc. for the period ended 30 June 2011, comprising the attached Income and Expenditure Statement and Balance Sheet.

The purpose for which the general purpose financial report has been prepared is to provide financial information to the Board of Management. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the general purpose financial report. The Board of Management is solely responsible for the information contained in the general purpose financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Association's Constitution and are appropriate to meet the needs of the Board of Management for the purposes of complying with the Association's Constitution.


Our procedures use accounting expertise to collect, classify and summarise the financial information which the Board of Management provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Association, may suffer arising from any negligence on our part. No person should rely on the general purpose financial report without having an audit or review conducted.

The general purpose financial report was prepared for the benefit of the Association and the purpose identified above. We do not accept responsibility to any other person for the contents of the general purpose financial report.

422 Hibiscus Street
Tom Price WA

Diamond Blue Consulting



28 October, 2011

Pilbara Community Legal Service Inc.
ABN 43 336 581 511
Independent Audit Report to the Members

Report on the Financial Report

We have audited the accompanying financial report of Pilbara Community Legal Service Inc. (the association), which comprises the Statement by Members of the Committee, the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Cash Flows, Statement of Changes In Equity, a summary of significant accounting policies and other explanatory notes for the financial year ended 30 June 2011.

Committee's Responsibility for the Financial Report

The Committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the , and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, management also states in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We 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 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 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.

Pilbara Community Legal Service Inc.
ABN 43 336 581 511
Statement by Members of the Board of Management
For the year ended 30 June 2011

In the opinion of the Board of Management the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of Pilbara Community Legal Service Inc. as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.
3. The Board of Management and the Pilbara Community Legal Service Inc. have complied with the obligations imposed by its constitution and the terms and conditions of each Service Agreement entered into during the 2011 financial year.
4. The information reported in the Statements of Income and Expenditure for the Hedland Financial Counselling, Karratha Financial Counselling, Newman Financial Counselling and Roebourne Financial Counselling programs have been prepared from proper accounts to present fairly the financial transactions for the financial year ending 30 June 2011 and the payments in the statement are in accordance with the terms and conditions of the Service Agreement with the Community and Development Ministerial Body.
5. The information reported in the Statement of Income and Expenditure for the Supported Housing Assistance Program has been prepared from proper accounts to present fairly the financial transactions for the financial year ending 30 June 2011 and the payments in the statement are in accordance with the terms and conditions of the Service Agreement with the Department of Consumer and Employment Protection
6. The information reported in the Statement of Income and Expenditure for the Tenancy Advice and Education Program has been prepared from proper accounts to present fairly the financial transactions for the financial year ending 30 June 2011 and the payments in the statement are in accordance with the terms and conditions of the Service Agreement with the Department of Consumer and Employment Protection.
7. The information reported in the Statement of Income and Expenditure for the Generalist Program, Indigenous Womens Program, Rural Womens Outreach Lawyer Program has been prepared from proper accounts to present fairly the financial transactions for the financial year ending 30 June 2011 and the payments in the statement are in accordance with the terms and conditions of the Service Agreement with Legal Aid Western Australia.
8. The information reported in the Statement of Income and Expenditure for the Domestic Violence Advocacy and Victim Support Service program has been prepared from proper accounts to present fairly the financial transactions for the financial year ending 30 June 2011 and the payments in the statement are in accordance with the terms and conditions of the Service Agreement with the Community and Development Ministerial Body.

The accompanying notes form part of these financial statements.

Pilbara Community Legal Service Inc.

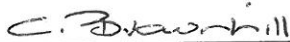
ABN 43 336 581 511

Statement by Members of the Board of Management

For the year ended 30 June 2011

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9. The information reported in the Statement of Income and Expenditure for the Indigenous Tenancy Support Service program has been prepared from proper accounts to present fairly the financial transactions for the financial year ending 30 June 2011 and the payments in the statement are in accordance with the terms and conditions of the Service Agreement with the Department of Housing - Aboriginal Tenancy Services.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:



Chairperson : Cecelia Brownhill



Secretary: Roz Brabazon