# SOUTH WEST COMMUNITY LEGAL CENTRE INC.
# FINANCIAL REPORT
## FOR THE YEAR ENDED 30 JUNE 2020

Independent Member of BKR INTERNATIONAL

CHARTERED ACCOUNTANTS AUSTRALIA • NEW ZEALAND

AMD
CHARTERED ACCOUNTANTS

# Index

# SOUTH WEST COMMUNITY LEGAL CENTRE INC.
## STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2020

| | 2020 | 2019 |
|---|---|---|
| | $ | $ |
| **MEMBERS FUNDS** | | |
| Retained Earnings | 94,831 | 94,832 |
| Reserves | 59,948 | - |
| **Closing Balance** | **154,779** | **94,832** |
| | | |
| **Represented By:** | | |
| | | |
| **CURRENT ASSETS** | | |
| General Cheque Account | 97,148 | 56,748 |
| Cash Reserve | 140,134 | 42,671 |
| Debit Mastercard | 961 | 1,314 |
| Term Deposit | 103,913 | 102,264 |
| Petty Cash | 233 | 240 |
| Security Bond | 2,917 | 2,917 |
| Accrued Income | 19,575 | - |
| Sundry Debtors | 5,657 | 4,830 |
| Prepayment | 20,856 | 20,503 |
| | **391,394** | **231,485** |
| | | |
| **NON CURRENT ASSETS** | | |
| Office Furniture & Equipment | 43,946 | 43,946 |
| Less: Accumulated Depreciation | (37,873) | (34,900) |
| Computer Equipment | 68,087 | 66,753 |
| Less: Accumulated Depreciation | (56,208) | (49,484) |
| Demonstration Equipment | 6,794 | 6,794 |
| Less: Accumulated Depreciation | (6,794) | (6,794) |
| Motor Vehicle | 24,342 | 24,342 |
| Less: Accumulated Depreciation | (14,301) | (10,954) |
| | **27,994** | **39,703** |
| | | |
| **TOTAL ASSETS** | **419,388** | **271,189** |
| | | |
| **CURRENT LIABILITIES** | | |
| Creditors and Accrued Expenses | 24,847 | 18,710 |
| Unexpended Grants | 122,775 | 66,959 |
| GST Payable/ (Receivable) | 2,736 | 2,676 |
| PAYG Liability | 7,642 | 8,262 |
| Provision for Annual Leave | 33,117 | 26,842 |
| | **191,117** | **123,449** |
| | | |
| **NON CURRENT LIABILITIES** | | |
| Provision for Long Service Leave | 73,492 | 52,908 |
| | **73,492** | **52,908** |
| | | |
| **TOTAL LIABILITIES** | **264,609** | **176,357** |
| | | |
| **NET ASSETS** | **154,779** | **94,832** |

## SOUTH WEST COMMUNITY LEGAL CENTRE INC
### COMBINED STATEMENT OF PROFIT AND LOSS
### FOR THE YEAR ENDED 30 JUNE 2020

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| **INCOME** | | |
| ATO Cashflow Boost | 59,663 | - |
| Funding Received | 891,907 | 836,637 |
| Funding Carried Forward | (122,775) | (66,959) |
| Funding Brought Forward | 66,959 | 74,153 |
| Interest Received | 2,239 | 2,875 |
| Donations - Legal, Bunbury | 780 | 895 |
| Donations - Legal, B'town/Manj | - | 50 |
| Donations - Other | 2 | 70 |
| Fundraising | 717 | 3,464 |
| Seminar | 318 | - |
| Sundry Income and client contribution | 6,361 | 3,066 |
| **Total Income** | **906,171** | **854,251** |
| **EXPENDITURE** | | |
| Rent and Room Hire | 59,918 | 53,660 |
| Premises Repairs & Maintenance | 9,022 | 14,256 |
| Premises Security | 2,853 | 2,920 |
| Utilities & Miscellaneous | 710 | 4,681 |
| Staff Training & Recruitment | 7,326 | 16,741 |
| Telecommunications | 16,327 | 18,624 |
| Office Overheads | 23,939 | 33,385 |
| Insurance | 7,882 | 7,545 |
| Accounting, Bank & FBT Fees | 6,875 | 11,114 |
| Library & Resources | 18,121 | 14,289 |
| Travel & Accommodation - Conf/Training | 5,548 | 4,074 |
| Program, Planning & Promotion | 30,468 | 4,287 |
| Asset Expenses, including running costs | 2,927 | 4,745 |
| Depreciation | 13,042 | 13,554 |
| Other - Outreach Travel | 2,242 | 1,375 |
| Wages | 558,062 | 544,439 |
| Leave Provision Movement | 26,859 | 8,742 |
| Traineeship | - | 42,775 |
| Fundraising Expense | 432 | 873 |
| Seminar Expense | 486 | - |
| Superannuation | 53,185 | 49,871 |
| **Total Expenses** | **846,224** | **851,949** |
| **Net Surplus** | **59,947** | **2,302** |

## SOUTH WEST COMMUNITY LEGAL CENTRE INC
### JOB PROFIT AND LOSS
### FOR THE YEAR ENDED 30 JUNE 2020

| Account Name | 2020<br>$ |
|---|---|
| **Fundraising** | |
| **FUNDRAISING** | |
| | |
| **Income** | |
| Fundraising | 717 |
| Total Income | 717 |
| | |
| **Expenditure** | |
| Fundraising Event Expenses | 432 |
| **Total Expenses** | 432 |
| | |
| **Net Surplus** | 285 |

## SOUTH WEST COMMUNITY LEGAL CENTRE INC
### JOB PROFIT AND LOSS
### FOR THE YEAR ENDED 30 JUNE 2020

| Account Name | 2020<br>$ |
|---|---|
| **Comm Dom Violence Funding** | |
| **DVL** | |
| | |
| **Income** | |
| Funding - General | 127,643 |
| Funding Brought Forward | 21,030 |
| Carried Over Funding 2020/21 | (16,846) |
| Bank Interest | 381 |
| Sundry Income | 196 |
| **Total Income** | 132,403 |
| | |
| **Expenditure** | |
| Rent and Room Hire | 9,724 |
| Premises Repairs & Maintenance | 1,704 |
| Premises Security | 102 |
| Staff Training & Recruitment | 1,072 |
| IT & Telecommunications | 5,661 |
| Office Overheads | 1,199 |
| Insurance | 1,182 |
| Accounting | 1,166 |
| Library & Resources | 2,152 |
| Travel & Accommodation - Conf/Training | 1,690 |
| Program Planning & Promotion | 1,275 |
| Asset Expenses | 68 |
| Depreciation | 1,648 |
| Wages | 88,383 |
| Superannuation | 10,275 |
| Employee Entitlement | 5,103 |
| **Total Expenses** | 132,403 |
| | |
| **Net Surplus** | - |

## SOUTH WEST COMMUNITY LEGAL CENTRE INC
### JOB PROFIT AND LOSS
### FOR THE YEAR ENDED 30 JUNE 2020

| **Account Name** | **2020**<br>**$** |
|---|---:|
| **FASS** | |
| **FASS** | |
| | |
| **Income** | |
| Funding - General | 51,480 |
| Bank Interest | 157 |
| Sundry Income | 81 |
| **Total Income** | 51,718 |
| | |
| **Expenditure** | |
| Rent and Room Hire | 3,741 |
| Premises Repairs & Maintenance | 655 |
| Premises Security | 42 |
| Staff Training & Recruitment | 1,141 |
| IT & Telecommunications | 2,315 |
| Office Overheads | 494 |
| Insurance | 487 |
| Accounting | 480 |
| Library & Resources | 1,210 |
| Travel & Accommodation - Conf/Training | 372 |
| Program Planning & Promotion | 154 |
| Asset Expenses | 28 |
| Depreciation | 679 |
| Wages | 39,920 |
| **Total Expenses** | 51,718 |
| | |
| **Net Surplus** | - |

# SOUTH WEST COMMUNITY LEGAL CENTRE INC
## JOB PROFIT AND LOSS
## FOR THE YEAR ENDED 30 JUNE 2020

| Account Name | 2020<br>$ |
|---|---|
| **General Legal** | |
| **GL** | |
| | |
| **Income** | |
| Funding - General | 261,713 |
| Funding Brought Forward | 45,929 |
| Carried Over Funding 2020/21 | (43,463) |
| Bank Interest | 806 |
| Donations - Legal | 780 |
| Donations - Other | 2 |
| Sundry Income | 1,585 |
| **Total Income** | 267,351 |
| | |
| **Expenditure** | |
| Rent and Room Hire | 20,730 |
| Premises Repairs & Maintenance | 3,632 |
| Premises Security | 217 |
| Staff Training & Recruitment | 2,589 |
| IT & Telecommunications | 12,799 |
| Office Overheads | 2,539 |
| Insurance | 2,503 |
| Accounting & Bank Fees | 2,485 |
| Library & Resources | 7,321 |
| Travel & Accommodation - Conf/Training | 2,448 |
| Program Planning & Promotion | 3,407 |
| Asset Expenses | 144 |
| Depreciation | 3,490 |
| Wages | 172,137 |
| Superannuation | 20,704 |
| Employee Entitlement | 10,207 |
| **Total Expenses** | 267,351 |
| | |
| **Net Surplus** | - |

## SOUTH WEST COMMUNITY LEGAL CENTRE INC
### JOB PROFIT AND LOSS
### FOR THE YEAR ENDED 30 JUNE 2020

| **Account Name** | **2020**<br>**$** |
|---|---|
| **State DV Wrap** | |
| **STATE DV WRAP** | |
| | |
| **Income** | |
| Funding - General | 102,066 |
| Carried Over Funding 2020/21 | (40,360) |
| Bank Interest | 157 |
| Sundry Income and Refunds | 81 |
| **Total Income** | 61,943 |
| | |
| **Expenditure** | |
| Rent and Room Hire | 3,741 |
| Premises Repairs & Maintenance | 655 |
| Premises Security | 42 |
| Staff Training & Recruitment | 441 |
| IT & Telecommunications | 2,315 |
| Office Overheads | 494 |
| Insurance | 487 |
| Accounting & Bank Fees | 480 |
| Library & Resources | 1,210 |
| Travel & Accommodation - Conf/Training | 372 |
| Program Planning & Promotion | 154 |
| Asset Expenses | 28 |
| Depreciation | 679 |
| Wages | 44,566 |
| Superannuation | 4,131 |
| Employee Entitlement | 2,149 |
| **Total Expenses** | 61,943 |
| | |
| **Net Deficit** | - |

# SOUTH WEST COMMUNITY LEGAL CENTRE INC
## JOB PROFIT AND LOSS
## FOR THE YEAR ENDED 30 JUNE 2020

| Account Name | 2020<br>$ |
|---|---|
| **PPT VRO Support** | |
| **PPT VRO** | |
| | |
| **Income** | |
| Funding - General | 125,000 |
| Sundry Income and Refunds | 138 |
| Bank Interest | 269 |
| **Total Income** | 125,407 |
| | |
| **Expenditure** | |
| Rent and Room Hire | 6,412 |
| Premises Repairs & Maintenance | 1,122 |
| Premises Security | 72 |
| Staff Training & Recruitment | 757 |
| IT & Telecommunications | 3,968 |
| Office Overheads | 846 |
| Insurance | 834 |
| Accounting & Bank Fees | 823 |
| Library & Resources | 2,075 |
| Travel & Accommodation - Conf/Training | 637 |
| Program Planning & Promotion | 25,265 |
| Asset Expenses | 48 |
| Depreciation | 1,164 |
| Wages | 71,963 |
| Superannuation | 6,197 |
| Employee Entitlement | 3,223 |
| **Total Expenses** | 125,407 |
| | |
| **Net Surplus** | - |

# SOUTH WEST COMMUNITY LEGAL CENTRE INC
## JOB PROFIT AND LOSS
## FOR THE YEAR ENDED 30 JUNE 2020

| Account Name | 2020<br>$ |
|---|---|
| **Outreach** | |
| **PPT OUT** | |
| | |
| **Income** | |
| Funding - General | 200,000 |
| Bank Interest | 470 |
| Sundry Income | 242 |
| **Total Income** | 200,713 |
| | |
| **Expenditure** | |
| Rent and Room Hire | 15,571 |
| Premises Repairs & Maintenance | 1,964 |
| Premises Security | 2,377 |
| Staff Training & Recruitment | 1,324 |
| IT & Telecommunications | 6,944 |
| Office Overheads | 1,496 |
| Insurance | 2,390 |
| Accounting & Bank Fees | 1,441 |
| Library & Resources | 3,631 |
| Travel & Accommodation - Conf/Training | 2,254 |
| Program Planning & Promotion | 463 |
| Asset Expenses | 2,582 |
| Depreciation | 5,383 |
| Wages | 134,837 |
| Superannuation | 11,878 |
| Employee Entitlement | 6,178 |
| **Total Expenses** | 200,713 |
| | |
| **Net Deficit** | - |

## SOUTH WEST COMMUNITY LEGAL CENTRE INC
### JOB PROFIT AND LOSS
### FOR THE YEAR ENDED 30 JUNE 2020

| Account Name | 2020 $ |
|---|---|
| **Streetsmart** | |
| **SSMART** | |
| | |
| **Income** | |
| Funding - One off | 1,400 |
| **Total Income** | 1,400 |
| | |
| **Expenditure** | |
| Wages | 1,400 |
| **Total Expenses** | 1,400 |
| | |
| **Net Surplus** | - |

# SOUTH WEST COMMUNITY LEGAL CENTRE INC
## JOB PROFIT AND LOSS
## FOR THE YEAR ENDED 30 JUNE 2020

| Account Name | 2020<br>$ |
|---|---|
| **SWCLC** | |
| **SWCLC** | |
| | |
| **Income** | |
| ATO Cash Boost | 59,663 |
| **Total Income** | 59,663 |
| | |
| **Expenditure** | |
| **Total Expenses** | - |
| | |
| **Net Surplus** | 59,663 |

**SOUTH WEST COMMUNITY LEGAL CENTRE INC.**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 30 JUNE 2020**

| | NOTE | 2020 $ | 2019 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from funding bodies | | 871,151 | 849,056 |
| Receipts from customers | | 67,841 | 7,544 |
| Payments to suppliers and employees | | (800,743) | (839,968) |
| Interest Received | | 2,239 | 2,875 |
| Net cash provided by operating activities | **2(b)** | 140,487 | 19,508 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for plant & equipment | | (1,333) | (28,686) |
| Net cash used in investing activities | | (1,333) | (28,686) |
| **Net increase/(decrease)in cash held** | | 139,154 | (9,179) |
| **Cash at the beginning of the financial year** | | 203,236 | 212,414 |
| **Cash at the end of the financial year** | **2(a)** | 342,390 | 203,236 |

# Statement of Changes in Equity
## for the year ended 30 June 2020

| | Retained Earnings | Future Sustainability Reserve | Fundraising Reserve | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance 1 July 2018** | 92,530 | - | - | 92,530 |
| Surplus for the year | 2,302 | - | - | 2,302 |
| **Balance 30 June 2019** | **94,832** | **-** | **-** | **94,832** |
| **Opening Retained Earnings 1 July 2019** | 94,832 | - | - | 94,832 |
| Surplus for the year | 59,947 | - | - | 59,947 |
| Transfers to / (from) reserves | (59,948) | 59,663 | 285 | - |
| **Balance 30 June 2020** | **94,831** | **59,663** | **285** | **154,494** |

**SOUTH WEST COMMUNITY LEGAL CENTRE INC.**

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 30 JUNE 2020**

## NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Constitution, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 2015*. The Management Committee has determined that the association is not a reporting entity.

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

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

(a) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

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

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date.

Revenue from grant funding, provided under contractual arrangements is taken up on a proportionate basis net of GST, over the period to which the funding relates.

Grant funds received in advance at balance date are recognised as a liability within the balance sheet and carried forward to the next accounting period – refer Note 4 for further details.

(b) Taxation

The Australian Taxation office has endorsed South West Community Legal Centre Inc. as a Public Benevolent Institution and it is eligible for the following concessions:

i) GST concession;
ii) FBT rebate; and
iii) Income taxation exemption.

No change in its tax status as a result of activities undertaken during the year is likely.

(c) Non Current Assets

Assets are recorded at cost within the asset register and depreciated over their useful lives.

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

(d) Employee Entitlements
Provision is made for annual leave at nominal rates, excluding leave loading and on-costs, estimated to be payable to employees on the basis of statutory and contractual requirements. Leave loading and on-costs have been provided for in the budget and it is the Management Committee's assessment that these costs do not represent the actual cost to the organisation.

Long service leave entitlement is thirteen weeks after seven years of service. The provision for long service leave is recorded at nominal rates, exclusive of on-costs. Long service leave is classified as current for employees with greater than seven years service, and non-current for employees with less than seven years service.

(e) 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 part of an item of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(f) Grant Acquitted
For the purpose of acquitting grants provided by funding bodies, South West Community Legal Centre Inc. has adopted the following policies:

Grant income is acquitted after allowing for the following costs:

- Cost including labour and on costs directly associated with a specific grant;
- Administration and other related overhead costs (after excluding costs which are abnormal both in nature and value and therefore not representative of an appropriate level of costs that would be expected to be incurred) not related to a specific grant are allocated over the relevant grants, based on a proportion of the level of each grant and related income compared to total income.

Such allocations are reduced to take into consideration the lower level administrative burden a grant is likely to produce, such as in the case of capital grants.

Representations of management and internal documentation are used in determining to which grants a cost may be directly or indirectly attributed.

SOUTH WEST COMMUNITY LEGAL CENTRE INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

(g) Comparative Figures
Where required, comparative figures are adjusted to conform to changes in presentation for the current financial year

**NOTE 2 RECONCILIATION OF CASH**

| **(a) Cash on Hand** | **2020** | **2019** |
|---|---|---|
| | **$** | **$** |
| Cheque Account | 97,148 | 56,748 |
| Cash Reserve | 140,134 | 42,671 |
| Debit Master Card | 961 | 1,314 |
| Term Deposit | 103,914 | 102,264 |
| Petty Cash | 233 | 240 |
| | 342,390 | 203,236 |

| **(b) Reconciliation of Net Cash to Surplus** | **2020** | **2019** |
|---|---|---|
| | **$** | **$** |
| Surplus from ordinary activities | 59,497 | 2,302 |
| Non-cash flows in surplus from ordinary activities: | | |
| Depreciation | 13,042 | 13,554 |
| Changes in assets and liabilities: | | |
| (Increase) / Decrease in receivables | (20,755) | 12,419 |
| Increase / (Decrease) in creditors and accruals | 5,578 | (10,316) |
| Increase / (Decrease) in unexpended grants | 55,816 | (7,194) |
| Increase / (Decrease) in provisions | 26,860 | 8,742 |
| **Net cash provided by operating activities** | 140,487 | 19,508 |

**NOTE 3 LEASING COMMITMENTS**

*14 Plaza Street, South Bunbury WA 6230*
South West Community Legal Centre Inc. entered into a lease agreement commencing 5 June 2018 for 14 Plaza Street, South Bunbury 6230.

The initial term of the lease was 24 months ending 5 June 2020. Monthly lease payments were $3,565.05 excluding GST.

On 3 March 2020, South West Community Legal Centre Inc. executed a Deed of Extension and variation to extend the lease for another 36 month ending 5 June 2023. Monthly lease payments are currently $2,916.67 excluding GST.

**NOTE 4 UNEXPENDED GRANTS**

Where grants are carried forward at 30 June to a subsequent financial year, a corresponding liability is recognised in the balance sheet, in relation to Unexpended Grants.

As at 30 June 2020, $122,775 of funding was unspent and required to be carried over to the following year.

Accordingly, a corresponding "Unexpended Grants" liability of $122,775 has been brought to account as at 30 June 2020, recognising that these funds are to be carried forward to the subsequent financial year, and expended in accordance with grant funding requirements. Unexpended grants held as at 30 June 2020 carried forward to the 2020/2021 year are as follows:

| | $ |
|---|---|
| 1. Chef LT | 4,546 |
| 2. CROCS | 2,060 |
| 3. DVL | 16,846 |
| 4. GL | 43,463 |
| 5. LW20 | 15,000 |
| 6. SJW2020 | 500 |
| 7. STATE DV | 40,360 |
| **TOTAL** | **122,775** |

**NOTE 5 ECONOMIC DEPENDENCIES**

The ongoing operation of the South West Community Legal Centre Inc. is dependent upon the continued financial support by way of grants and contributions from Legal Aid, the Law Society Public Purposes Trust and other funding bodies.

**NOTE 6 COMMITMENT**

As at 30 June 2020, South West Community Legal Inc had committed $6,800 (excluding GST) relating to consultancy services for the provision of Reconciliation Action Plan Development and Submission to Reconciliation Australia which will completed and submitted in or before 31 December 2020 ($3,000 paid prior to 30 June 2020).

**NOTE 7 FUTURE SUSTAINABILITY RESERVE**

The South West Community Legal Inc Board believes the principles of financial sustainability are central to the long term security and viability of the association. To achieve strategy, the Board approved the establishment of a Future Sustainability Reserve within the 2019/2020 financial year. This reserve may be utilised to meet non-funded capital expenditure, the capacity to undertake strategic research and innovation, or the ability to meet unforeseen expenditure that cannot legitimately be absorbed by funding without comprising service delivery.

The Future Sustainability Reserve is administered by the Board and requires approval, in all instances to support expenditure of these funds, all spending for the Future Sustainability Reserve requires a clear rationale for approving the expenditure and a clear demonstration that alternative financial solutions cannot be procured from traditional sources.

**NOTE 7 FUTURE SUSTAINABILITY RESERVE (Continued)**

During the year ended 30 June 2020, $59,663 was transferred to the Future Sustainability Reserve with total reserve balance at 30 June 2020 being $ 59,663. The Future Sustainability Reserve is cash backed being maintained in the term deposit cash asset held.

**NOTE 8 FUNDRAISING RESERVE**

The South West Community Legal Inc Board believes the principles of financial sustainability are central to the long term security and viability of the association, to achieve its strategy, the Board approved the establishment of a Fundraising Reserve within the 2019/2020 financial year. This reserve may be utilised to meet fundraising expenses, non-funding capital expenditure, the capacity to undertake strategic research and innovation or the ability to meet unforeseen expenditure that cannot legitimately be absorbed by funding without compromising service delivery.

The Fundraising Reserve is administered by the Board and requires approval, in all instances to support the expenditure of these funds. All spending from the Fundraising Reserve requires a clear rationale for approving the expenditure and a clear demonstration that alternative financial solutions cannot be procured from traditional sources.

During the year ended 30 June 2020, $258 was transferred to the Fundraising Reserve with total reserve balance at 30 June 2020 being $258. The Fundraising Reserve is cash backed being maintained in the term deposit asset held.

**NOTE 9 COVID - 19**

Along with many other organisations and peoples around the world, South West Community Legal Inc felt the impact of COVID-19 throughout the financial year ended 30 June 2020. Although there was little, if any, negative financial impact, there was impact to service demand and design. South West Community Legal Inc found that the demand for services increased, and in particular, more people were presenting with greater levels, and more severe, family violence.

The Risk Committee (a delegation of Board Members) worked quickly to authorise and implement protective changes to service delivery. They designed a COVID-19 Disaster Contingency Plan in early March 2020 to respond to increasing levels of COVID-19 within the Western Australian community.

In accordance with this plan, on 24 March 2020, the Risk Committee directed that all face to face services be suspended and that legal support across all programs be delivered by telephone, video or email. The Risk Committee also directed that all staff work from home for a period of time and arranged for staff to be provided with adequate equipment, appropriate safety checks and a work from home allowance. The Risk Committee also engaged additional cleaning and cyber security mechanisms to protect staff well-being and the confidentiality of South West Community Legal Inc data.

The Risk Committee ensured that all funding bodies were provided notice of the proposed changes to service and received consent to implement. The funding bodies indicated funding would continue notwithstanding any changes to service delivery or inability to meet service targets as a result of COVID-19 impact.

**NOTE 9 COVID - 19**

The Board was very supportive of all actions recommended by the Risk Committee and endorsed the operational directives.

After the spread of COVID-19 had been contained within the Western Australian community, the Risk Committee and Board oversaw the safe transition of staff returning to work on site. Additional office cleaning and hand-sanitising measures were implemented and protective equipment, such as screens were set up in the office. The Occupational Health and Safety Officer also conducted a COVID-19 Safe at Work plan which made further recommendations to ensure South West Community Legal Inc were complying with Government recommendations and legislation.

During this time, the Board actively sought additional COVID-19 funding support and was able to avail of the ATO Cash Boost payments. The Board encouraged the Managing Principal Solicitor to apply for grants to fund the purchase of additional equipment to facilitate offsite work. South West Community Legal Inc was successful in obtaining a $15,000 grant from Lotterywest to help support their transition to remote working.

South West Community Legal Inc is well-positioned to respond to COVID-19 related risks in the coming financial year. South West Community Legal Inc have a well-developed COVID-19 contingency plan which can be implemented on short notice. All staff are equipped to be able to work from home, should this be required, and service design now incorporates flexibility to offer remote services. SWCLC funding contracts have largely been continued on similar terms, notwithstanding the risks of COVID-19, as a result funding is secured for this coming financial year. In addition, the Commonwealth Government has recently contracted to provide an additional $74,000 to South West Community Legal Inc to accommodate expected increase in service demand.

**SOUTH WEST COMMUNITY LEGAL CENTRE INC.**
**STATEMENT BY MEMBERS OF THE MANAGEMENT COMMITTEE**

The Management Committee have determined that the association is not a reporting entity.

The Management Committee have determined that this special purpose financial report should be prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012, the Association Incorporations Act (WA) 2015* and the accruals basis of accounting as outlined in Note 1 to the financial statements.

In the opinion of the Management Committee:

1. The financial statements and notes of South West Community Legal Centre Inc. are in accordance with the *Associations Incorporation Act (WA) 2015* and the *Australian Charities and Not-for-profits Commission Act 2012,* including:

   a) Giving a true and fair view of its financial position at 30 June 2020 and of its financial performance and cash flows for the year ended on that date;
   b) Complying with the accounting policies described in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulations 2013;* and

2. There are reasonable grounds to believe that South West Community Legal Centre Inc. will be able to pay its debts as and when they fall due and payable.

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

Committee member

Committee member

Dated this 29 day of September 2020

**AUDITOR'S INDEPENDENCE DECLARATION TO THE MANAGEMENT COMMITTEE OF SOUTH WEST COMMUNITY LEGAL CENTRE INC.**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2020, there have been no contraventions of**:**

i) The auditor independence requirements as set out in Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* and section 80 of the *Associations Incorporation Act (WA) 2015* in relation to the audit; and

ii) Any applicable code of professional conduct in relation to the audit.

**AMD Chartered Accountants**

**MARIA CAVALLO FCA**
**Director**

Bunbury, WA

Dated this 22nd day of September 2020

AMD

CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND

Independent Member of BKR INTERNATIONAL

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF SOUTH WEST COMMUNITY LEGAL CENTRE INC.**

***Report on the Audit of the Financial Report***

***Qualified Opinion***

We have audited the financial report of South West Community Legal Centre Inc. (the association) which comprises the statement of financial position as at 30 June 2020, the statement of profit and loss, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies, and the declaration by the Management Committee.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report has been prepared in accordance with the *Associations Incorporation Act (WA) 2015* and Division 60 of the *Australian Charities and Not-for-profits Commissions Act 2012*, including:

i) giving a true and fair view, in all material respects, of the financial position of South West Community Legal Centre Inc. as at 30 June 2020, and of its financial performance and its cash flows for the year then ended; and

ii) complying with Australian Accounting Standards to the extent described in Note 1 Associations Incorporation Act (WA) 2015 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013.*

***Basis for Qualified Opinion***

As is common for organisations of this type, it is not practicable for South West Community Legal Centre Inc. to maintain an effective system of internal control over administrative fees, donations, fund raising activities and other income until their initial entry in the accounting records. Accordingly, our audit in relation to income was limited to amounts recorded in the financial records.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of South West Community Legal Centre Inc. in accordance with the *Associations Incorporation Act (WA) 2015*, the *Australian Charities and Not-for-profits Commission Act 2012* 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

***Emphasis of Matter- Basis of Accounting***

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist South West Community Legal Centre Inc. to meet the requirements of the *Associations Incorporation Act (WA) 2015*, and the *Australian Charities and Not-for-profits Commissions Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**AMD Audit & Assurance Pty Ltd**
ACN 145 719 259 t/a AMD
Liability limited by a scheme approved under Professional Standards Legislation

**T** +61 (8) 9780 7555
**F** +61 (8) 9721 8982
**E** amd@amdonline.com.au
**www.amdonline.com.au**

Unit 1, 28-30 Wellington Street,
Bunbury, WA 6230
PO Box 1306, Bunbury, WA 6231

***Emphasis of Matter- Economic Dependency***
We draw attention to Note 5 to the financial statements which outlines the ongoing operation of South West Community Legal Centre Inc. is dependent upon the continued receipt of funding and contributions. Our opinion is not modified in respect of this matter.

**Other Information**
Those charged with governance are responsible for the other information. The other information comprises the information included in South West Community Legal Centre Inc. annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of Management and Those Charged with Governance for the Financial Report***
Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act (WA) 2015, the Australian Charities and Not-for-profits Commissions Act 2012* and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing South West Community Legal Centre Inc.'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 management either intend to liquidate South West Community Legal Centre Inc. or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing South West Community Legal Centre Inc.'s financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Report***
Our 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are 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 our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity 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.

We 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 we identify during our audit.

**AMD Chartered Accountants**

**MARIA CAVALLO**
**Director**

28-30 Wellington Street, Bunbury, Western Australia

Dated this 2nd day of October 2020