

**SOUTH WEST SYDNEY LEGAL CENTRE
INCORPORATED
(A.B.N 91 991 317 875)**

**SPECIAL PURPOSE
FINANCIAL REPORT**

**FOR THE YEAR ENDED
30 JUNE 2019**

SOUTH WEST SYDNEY LEGAL CENTRE INCORPORATED

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the committee of South West Sydney Legal Centre Incorporated, we state that:

In the opinion of the committee:

- (a) The financial report presents a true and fair view of the financial position of South West Sydney Legal Centre Incorporated as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the financial statements; and
- (b) At the date of this statement, there are reasonable grounds to believe that South West Sydney Legal Centre Incorporated will be able to pay its debts as and when they become due and payable.

The association has, during the financial year;

- (a) Kept such accounting records which correctly record and explain its transactions and financial position;
- (b) Kept its accounting records in such a manner which would enable true and fair accounts to be prepared from time to time;
- (c) Kept its accounting records in such a manner which would enable its accounts to be conveniently and properly audited in accordance with Australian Auditing Standards; and
- (d) Had its accounts properly prepared by a competent person.

On behalf of the committee

Name: Naushee Rahman

Position: Chair

Signature:  _____

Name: RAKESH KAS

Position: TREASURER

Signature:  _____

19 September 2019



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CHARTERED ACCOUNTANTS

Partners

P A Berger B Com FCA
W J Piepers FCA
T D Millard B Com CA

Associate

T Costa B Bus CA

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SOUTH WEST SYDNEY LEGAL CENTRE INC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of South West Sydney Legal Centre Inc (the association), which comprises the assets and liabilities statement as at 30 June 2019, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report presents fairly, in all material respects [or *gives a true and fair view of* the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010, the financial position of the association as at 30 June 2019 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010.

Basis for Opinion

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 the association in accordance with 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 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 the association to meet the requirements of the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



Summit House 286 High Street (PO Box 999) Penrith NSW 2751
Telephone (02) 4726 9666 Facsimile (02) 4731 4469
www.bergerpiepers.com.au Email: bp@bergerpiepers.com.au

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Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010 and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association'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 committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 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 company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the committee 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.



berger piepers
Chartered Accountants



WJ Piepers
Partner

19 September 2019
Penrith, NSW

SOUTH WEST SYDNEY LEGAL CENTRE INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	2	2,792,349	2,221,730
Trade and other receivables	3	35,356	19,067
TOTAL CURRENT ASSETS		<u>2,827,705</u>	<u>2,240,797</u>
NON-CURRENT ASSETS			
Plant and equipment	4	15,169	18,125
TOTAL NON-CURRENT ASSETS		<u>15,169</u>	<u>18,125</u>
TOTAL ASSETS		<u>2,842,874</u>	<u>2,258,922</u>
CURRENT LIABILITIES			
Trade and other payables	5	371,976	138,120
Provisions	6	743,617	607,203
Other	7	804,125	852,459
TOTAL CURRENT LIABILITIES		<u>1,919,718</u>	<u>1,597,782</u>
NON-CURRENT LIABILITIES			
Provisions	8	81,679	45,742
TOTAL NON-CURRENT LIABILITIES		<u>81,679</u>	<u>45,742</u>
TOTAL LIABILITIES		<u>2,001,397</u>	<u>1,643,524</u>
NET ASSETS		<u>841,477</u>	<u>615,398</u>
EQUITY			
Accumulated surplus		841,477	615,398
TOTAL EQUITY		<u>841,477</u>	<u>615,398</u>

The accompanying notes form an integral part of these financial statements.

SOUTH WEST SYDNEY LEGAL CENTRE INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
INCOME		
Funding	5,486,699	3,523,204
Rent	5,279	-
Interest	57,590	43,803
Project contributions	1,300	3,500
Other income	75,936	116,268
	<u>5,626,804</u>	<u>3,686,775</u>
EXPENDITURE		
Audit and accounting	6,427	5,160
Depreciation	2,955	3,586
Employee benefits	4,210,431	2,804,385
Other expenses	753,538	659,081
	<u>4,973,351</u>	<u>3,472,212</u>
Operating surplus	653,453	214,563
Other expenses		
-unspent funding carried forward	<u>427,374</u>	<u>228,816</u>
Surplus/(deficit) before income tax	226,079	(14,253)
Income tax expense	<u>-</u>	<u>-</u>
Surplus/(deficit) after income tax	226,079	(14,253)
Accumulated surplus at the beginning of the financial year	<u>615,398</u>	<u>629,651</u>
ACCUMULATED SURPLUS AT THE END OF THE FINANCIAL YEAR	<u><u>841,477</u></u>	<u><u>615,398</u></u>

The accompanying notes form an integral part of these financial statements.

SOUTH WEST SYDNEY LEGAL CENTRE INCORPORATED**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2019****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a special purpose financial report prepared for the members of South West Sydney Legal Centre Incorporated in order to satisfy the reporting requirements of the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010. The committee has determined that the association is not a reporting entity and any person other than those for whom the special purpose financial report was prepared should not act on this financial report.

The principal accounting policies adopted by South West Sydney Legal Centre Incorporated are stated to assist in a general understanding of the financial statements. The following significant accounting policies, which are consistent with the previous period unless otherwise indicated, have been adopted in the preparation of this financial report.

(a) Basis of accounting

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

(b) Change in accounting policies*Internal Management Fees*

The organisation internally recharges certain expenses to programs by way of management fees. In the past, the organisation has disclosed these management fees as revenue with a corresponding amount included in expenses. The directors have determined that, as the management fees do not represent real items of revenue and expenditure at the organisational level it would be prudent to offset these amounts rather than disclose them as revenue and expenses. Accordingly, these items have been offset in the financial report.

(c) Plant and equipment

Plant and equipment and office equipment are carried at cost less, where applicable, any accumulated depreciation.

Depreciation is calculated on either a straight-line or diminishing value basis over the estimated useful life of the asset.

(d) Impairment of assets

At the end of each reporting period, the entity reviews the carrying value of its 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 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 expensed to the income and expenditure statement.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

SOUTH WEST SYDNEY LEGAL CENTRE INCORPORATED**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2019****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(f) Employee benefits**

Provision for employee entitlements (including annual leave, sick leave and long service leave) has been provided for at balance date based upon current salary rates. No entitlement to long service leave is payable until an employee reaches 5 years of service under certain circumstances, however, a provision is made from current funds on a pro-rata basis after the first year of service.

(g) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed. All revenue is stated net of the amount of goods and services tax (GST).

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

Grant and donation income is recognised when the association obtains control over the funds, which is generally at the time of receipt. If conditions are attached to the grant that must be satisfied before the association is eligible to receive the funds, recognition of the grant will be deferred until those conditions are satisfied.

(i) Income tax

The association is exempt from the provisions of the Income Tax Assessment Act and hence no provision for income taxation liabilities has been made.

(j) Goods and Services Tax (GST)

Revenues, expenses and plant and equipment are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

(k) Comparative figures

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

SOUTH WEST SYDNEY LEGAL CENTRE INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	2019	2018
	\$	\$
2. CASH AND CASH EQUIVALENTS		
Commonwealth Bank cheque account	25,305	29,984
Commonwealth Bank online saver	732,828	523,156
Commonwealth Bank term deposit	2,023,908	1,653,490
Petty cash - Centre	529	700
Fairfield DV Committee -St George Bank	9,779	14,400
	<u>2,792,349</u>	<u>2,221,730</u>
3. TRADE AND OTHER RECEIVABLES (CURRENT)		
Accrued interest	12,803	2,820
GST receivable	6,131	-
Prepayments	2,010	1660
Deposits	14,412	14,587
	<u>35,356</u>	<u>19,067</u>
4. PLANT AND EQUIPMENT		
Office furniture and equipment - at cost	51,120	51,120
Less accumulated depreciation	(45,127)	(43,058)
	<u>5,993</u>	<u>8,062</u>
Computer equipment - at cost	79,210	79,210
Less accumulated depreciation	(70,269)	(69,502)
	<u>8,941</u>	<u>9,708</u>
Motor vehicles - at cost	21,502	21,502
Less accumulated depreciation	(21,502)	(21,502)
	<u>-</u>	<u>-</u>
Leasehold improvements - at cost	31,366	31,366
Less accumulated depreciation	(31,131)	(31,011)
	<u>235</u>	<u>355</u>
	<u>15,169</u>	<u>18,125</u>

SOUTH WEST SYDNEY LEGAL CENTRE INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2019

	2019	2018
	\$	\$
5. TRADE AND OTHER PAYABLES (CURRENT)		
Trade creditors and sundry creditors	289,800	79,246
PAYG payable	76,325	38,048
GST payable	-	16,332
Accrued expenses	5,851	4,494
	<u>371,976</u>	<u>138,120</u>
6. PROVISIONS (CURRENT)		
Annual leave	345,672	268,095
Long service leave	155,812	153,407
Relief staff	123,528	105,045
Maternity leave	58,166	33,739
Leave loading	60,439	46,917
	<u>743,617</u>	<u>607,203</u>
7. OTHER CURRENT LIABILITIES		
Grants in advance		
-Legal Aid current funding	270,916	84,060
-Legal Aid one off funding	108,710	249,945
-Corrective Services NSW	48,498	43,107
-Dept of Corrective Services	10,750	10,750
-Dept FACS-SHLV	16,613	116,617
-Dept FACS-ANGELS	2,053	2,147
-Dept FACS-SWSD&FV	16,764	-
-Dept FAM&COM	-	4,167
-Law and Justice Foundation	3,696	3,696
-Catholic Care	-	37,500
-Dept of Social Services M&M	22,947	24,148
-Bonnie Support Service	1,352	-
-Liverpool City Council	4,000	-
Other funds to be expended		
-Donations Sydney WDVCS	7,961	-
-Legal services	222,839	186,266
DV Comm. Monies Held		
-Liverpool DV Comm.	5,973	8,007
-DV Comm. Coalition	3,528	3,528
-Green Valley Liverpool DV	46,002	62,377
-Vietnamese Womens' DV Group	1,113	1,113
-Mentors in violence program	631	631
-Fairfield DV (St George account)	9,779	14,400
	<u>804,125</u>	<u>852,459</u>

SOUTH WEST SYDNEY LEGAL CENTRE INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2019

	2019	2018
	\$	\$
8. PROVISIONS (NON-CURRENT)		
Long service leave	<u>81,679</u>	<u>45,742</u>
9. CONTINGENT LIABILITIES		
Estimates of the maximum amounts of contingent liabilities which may become payable:		
Payable to employees under the Enterprise Agreement in the event of redundancy	<u>469,653</u>	<u>407,621</u>
Professional Indemnity insurance excess in the event of a claim	<u>10,000</u>	<u>10,000</u>