Community Legal Centres NSW Inc.

ABN: 22 149 415 148

Financial report

For the year ended 30 June 2019

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COMMUNITY LEGAL CENTRES NSW INC.
ABN: 22 149 415 148

COMMITTEE'S REPORT

The committee members present their report together with the financial report of Community Legal Centres NSW Inc. for the year ended 30 June 2019 and auditor's report thereon.

Committee members' names

The names of the committee members in office at any time during or since the end of the year are:

Katrina Ironside

Kim Ly

Robert Pelletier

Dan Turner

Arlia Fleming

Nicole Jenkins (from November 2018)

Savi Manii (from November 2018)

Jilly Field (from November 2018)

Deb Macmillan (from November 2018)

Jacqui Jarrett (until November 2018)

The committee members have been in office since the start of the year to the date of this report unless otherwise stated.

Results

The surplus of the Association for the year amounted to $16,078.

Review of operations

The Association continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the Association's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

COMMUNITY LEGAL CENTRES NSW INC.
ABN: 22 149 415 148

COMMITTEE'S REPORT

Principal activities

The principal activity of the Association during the year was to assist disadvantaged and marginalised people in the NSW community obtain access to legal services by:
- supporting and assisting community legal centres in NSW to provide these services.

Signed on behalf of the members of the committee.

~~Deputy~~ Chair ______________________

Katrina Ironside

Treasurer ______________________

Kim Ly

Dated this 26th day of November 2019

COMMUNITY LEGAL CENTRES NSW INC.
ABN: 22 149 415 148

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue and other income			
Revenue	4	1,095,549	982,303
Interest income		3,568	3,743
Other income	4	368,386	230,581
		1,467,503	1,216,627
Less: expenses			
Depreciation and amortisation expense	5	(28,557)	(20,184)
Employee benefits expense		(961,140)	(736,804)
Advertising expense		(3,853)	(1,500)
CLCNSW expense		(122,194)	(12,560)
Program and planning expenses		(68,200)	(76,244)
Office overhead expense		(114,938)	(89,649)
Rental expense premises		(36,540)	(36,540)
Other employees expense		(7,109)	(7,337)
Consultants and contractors expense		(107,429)	(116,758)
Other expenses		(1,465)	(2,869)
		(1,451,425)	(1,100,445)
Surplus for the year		16,078	116,182
Other comprehensive income for the year		-	-
Total comprehensive income		16,078	116,182

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	6	418,795	444,201
Receivables	7	22,721	12,706
Other financial assets	8	124,957	123,250
Other assets	11	5,054	34,003
Total current assets		571,527	614,160
Non-current assets			
Intangible assets	9	97,556	104,565
Property, plant and equipment	10	51,568	69,083
Other assets	11	3,355	3,192
Total non-current assets		152,479	176,840
Total assets		724,006	791,000
Current liabilities			
Payables	12	99,720	91,314
Provisions	13	50,219	59,076
Other liabilities	14	165,013	265,184
Total current liabilities		314,952	415,574
Non-current liabilities			
Provisions	13	40,153	22,603
Total non-current liabilities		40,153	22,603
Total liabilities		355,105	438,177
Net assets		368,901	352,823
Members funds			
Reserves	15	79,910	79,910
Accumulated surplus	16	288,991	272,913
Total members funds		368,901	352,823

The accompanying notes form part of these financial statements.

COMMUNITY LEGAL CENTRES NSW INC.
ABN: 22 149 415 148

STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 30 JUNE 2019

	Reserves $	Accumulated surplus $	Total equity $
Balance as at 1 July 2017	79,910	156,731	236,641
Surplus for the year	-	116,182	116,182
Total comprehensive income for the year	-	116,182	116,182
Balance as at 30 June 2018	79,910	272,913	352,823
Balance as at 1 July 2018	79,910	272,913	352,823
Surplus for the year	-	16,078	16,078
Total comprehensive income for the year	-	16,078	16,078
Balance as at 30 June 2019	79,910	288,991	368,901

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flow from operating activities			
Receipts from grants and customers		1,382,537	1,097,823
Payments to suppliers and employees		(1,405,771)	(1,042,139)
Interest received		3,568	3,743
Net cash provided by / (used in) operating activities	17(b)	(19,666)	59,427
Cash flow from investing activities			
Payment for property, plant and equipment		(4,033)	(1,182)
Payment for investments		(1,707)	(1,680)
Payment for intangible assets		-	(104,565)
Net cash used in investing activities		(5,740)	(107,427)
Reconciliation of cash			
Cash at beginning of the financial year		444,201	492,201
Net decrease in cash held		(25,406)	(48,000)
Cash at end of financial year	17(a)	418,795	444,201

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The committee has determined that the Association is not a reporting entity on the basis that, in the opinion of the committee, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report covers Community Legal Centres NSW Inc. as an individual entity. Community Legal Centres NSW Inc. is a Association, formed and domiciled in Australia. Community Legal Centres NSW Inc. is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the committee as at the date of the committee's report.

The financial report has been prepared in accordance with the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*, the accounting policies set out below, and the disclosure requirements of:

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1054:	Australian Additional Disclosures

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) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Association's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 3 to the financial statements.

(b) Income tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue

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

Grant income, is recognised as revenue in the year to which the associated expenditure and grant funding agreement relates. Accordingly, grants received in the current year for expenditure in future years are treated as grants in advance. Unexpended specific grant income at 30 June each year is disclosed as a liability. Where surplus funds are required to be repaid, they will remain as a liability until repayment.

Membership fees are recognised as revenue when no significant uncertainty as to its collectability exists, if the fee relates only to membership and all other services or products are paid for separately, or if tehre is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and valule of the benefit provided.

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods or services tax (GST).

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the Association for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Association are subsequently measured at amortised cost.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (Continued)

Trade and other receivables

Trade and other receivables arise from the Association's transactions with its customers and are normally settled within 30 days.

Consistent with both the Association's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

(f) Property, plant and equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements at cost	50%	Straight line
Office equipment at cost	25% - 33%	Diminishing value/Straight line

(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.

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases (Continued)

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(i) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the employees entitlement and remuneration rate at balance date.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(j) Goods and Services Tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(k) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Adoption of new and amended accounting standards that are first operative

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

AASB 9 Financial Instruments

The Association adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. All other financial assets are classified and measured at fair value through profit or loss unless the Association makes an irrevocable election on initial recognition to present gains and losses on Association instruments (that are not held for trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Impact of adoption

There is no material impact on the financial statements from adopting the new accounting standard in comparison to the previous accounting standard on the current reporting period.

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Association. The Association has decided not to early adopt any of these new and amended pronouncements. The Association's assessment of the new and amended pronouncements that are relevant to the Association but applicable in future reporting periods is set out below.

AASB 15: Revenue from Contracts with Customers (applicable for not-for-profit entities for annual reporting periods commencing on or after 1 January 2019).

AASB 15 will provide (except in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue.

The Standard provides a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled.

AASB 15 also provides additional guidance to assist entities in applying the revised principle to licences of intellectual property, warranties, rights of return, principal/agent considerations and options for additional goods and services.

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Although the committee members anticipate that the adoption of AASB 15 may have an impact on the Association's reported revenue, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16 will replace AASB 117: Leases and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

(a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:

   i. investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or

   ii. property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and

(b) lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

The committee members of the Association has not yet determined the likely impact of the initial application of AASB 16 on its financial statements.

AASB 1058: Income of Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer if the agreement:

(a) creates enforceable rights and obligations between the parties; and

(b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer, the inflows are accounted for in accordance with AASB 1058, which requires:

(a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard; and

(b) any difference between the consideration given for the asset and its fair value to be recognised in accordance with its substance (such as a contract liability, a financial instrument and/or a contribution by owners), and any residual amount recognised as income.

However, AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. Electing to initially measure such right-of-use assets at cost rather than fair value has the corresponding effect of reducing the amount of income recognised by the entity under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

The committee members of the Association has not yet determined the likely impact of the initial application of AASB 1058 on its financial statements.

AASB 2018-8: Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 2018-8 amends AASB 1: *First-time Adoption of Australian Accounting Standards*, AASB 16: *Leases*, AASB 117: *Leases*, AASB 1049: *Whole of Government and General Government Sector Financial Reporting* and AASB 1058: *Income of Not-for-Profit Entities* to provide a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases.

The committee members of the Association has not yet determined the likely impact of the initial application of this standard on its financial statements.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Association's accounting policies, management is required to make judgements, estimates and assumption about carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Impairment of non-financial assets other than goodwill

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Association. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment and future product expectations. If an indicator of impairment exists the recoverable amount of the asset is determined.

	2019 $	2018 $
NOTE 4: REVENUE AND OTHER INCOME		
Operating grant	1,095,549	979,803
Other revenue	-	2,500
	1,095,549	982,303
Other income		
CLCNSW membership fees	20,068	23,455
Professional Indemnity Insurance	54,108	58,145
Fees and Charges	288,702	146,365
Sundry Income	5,508	2,616
	368,386	230,581
	1,463,935	1,212,884
NOTE 5: OPERATING SURPLUS / (DEFICIT)		
Surplus / (deficit) has been determined after:		
Depreciation and amortisation	28,557	20,184
Remuneration of auditors for:		
Audit and assurance services		
- Audit of the financial report and government grant acquittals	8,200	8,025
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	200	200
Cash at bank	418,595	444,001
	418,795	444,201

	2019 $	2018 $
NOTE 7: RECEIVABLES		
CURRENT		
Trade debtors	22,721	12,706
NOTE 8: OTHER FINANCIAL ASSETS		
CURRENT		
Financial assets measured at amortised cost		
Term deposits	124,957	123,250
	124,957	123,250
NOTE 9: INTANGIBLE ASSETS		
Intangible Assets - Website development	70,095	9,760
Accumulated amortisation	(7,009)	-
	63,086	9,760
Intangible Assets - Work In Progress	34,470	94,805
Total intangible assets	97,556	104,565
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	83,198	83,198
Less accumulated depreciation	(37,439)	(20,799)
	45,759	62,399
Plant and equipment		
Office equipment and computer equipment at cost	40,732	36,699
less accumulated depreciation	(34,923)	(30,015)
	5,809	6,684
Total property, plant and equipment	51,568	69,083

		2019 $	2018 $

NOTE 11: OTHER ASSETS

		2019 $	2018 $
CURRENT			
Prepayments		3,554	34,003
Accrued income		1,500	-
		5,054	34,003
NON CURRENT			
Term deposits - bank guarantees		3,355	3,192
		3,355	3,192

Term deposits totalling $3,355 are held as bank guarantees in relation to the Association's credit card.

NOTE 12: PAYABLES

		2019 $	2018 $
CURRENT			
Unsecured liabilities			
Trade creditors		47,095	27,317
PAYG tax payable		12,072	7,326
Superannuation payable		6,832	6,007
GST credits		1,781	9,399
Accrued expenses		31,940	41,265
		99,720	91,314

NOTE 13: PROVISIONS

		2019 $	2018 $
CURRENT			
Annual leave	(a)	49,163	43,234
Long service leave	(a)	1,056	15,842
		50,219	59,076
NON CURRENT			
Long service leave	(a)	35,153	17,603
Make good		5,000	5,000
		40,153	22,603
(a) Aggregate employee benefits liability		85,371	76,679

		2019 $	2018 $
NOTE 14: OTHER LIABILITIES			
CURRENT			
Unexpended grants		165,013	265,184
		165,013	265,184
NOTE 15: RESERVES			
Parental leave reserve	15(a)	31,491	31,491
Redundancy reserve	15(b)	48,419	48,419
		79,910	79,910

(a) Parental leave reserve

The parental leave reserve represents amounts set aside to cover future costs associated with employees taking parental leave.

	2019 $	2018 $
Movements in reserve		
Opening balance	31,491	31,491
Closing balance	31,491	31,491

(b) Redundancy reserve

The redundancy reserve represents amounts set aside to cover the costs of redundancies.

	2019 $	2018 $
Movements in reserve		
Opening balance	48,419	48,419
Closing balance	48,419	48,419

NOTE 16: ACCUMULATED SURPLUS

	2019 $	2018 $
Accumulated surplus at beginning of year	272,913	156,731
Surplus	16,078	116,182
	288,991	272,913

	2019	2018
	$	$

NOTE 17: CASH FLOW INFORMATION

(a) Reconciliation of cash

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

	2019 $	2018 $
Cash on hand	200	200
Cash at bank	418,595	444,001
	418,795	444,201

(b) Reconciliation of cash flow from operations with surplus

	2019 $	2018 $
Surplus from ordinary activities	16,078	116,182
Adjustments and non-cash items		
Depreciation and Amortisation	28,557	20,184
Changes in operating assets and liabilities		
(Increase) / decrease in receivables	(10,015)	(6,270)
(Increase) / decrease in other assets	28,786	(33,863)
Increase / (decrease) in grants received in advance	(100,171)	(63,664)
Increase / (decrease) in payables	8,406	15,545
Increase / (decrease) in provisions	8,693	11,313
	(35,744)	(56,755)
Cash flows (used in)/provided by operating activities	(19,666)	59,427

NOTE 18: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2019 $	2018 $
Payable		
- not later than one year	2,486	2,486
- later than one year and not later than five years	4,349	6,835
- later than five years	-	-
	6,835	9,321

The photocopier is a non-cancellable lease with a five-year term commencing 6 April 2017, with payments made monthly in advance. Balances exclude GST.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2019, of the Association, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2019, of the Association.

NOTE 20: ASSOCIATION DETAILS

The principal place of business of the Association is:

Suite 102 / 105 Holt Street

SURRY HILLS NSW 2010

COMMUNITY LEGAL CENTRES NSW INC.
ABN: 22 149 415 148

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee declare that:

1. there are reasonable grounds to believe that the Association is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 2009.*

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* and *Associations Incorporation Act 2009.*

~~Deputy~~ Chair ______________________

Katrina Ironside

Treasurer: ______________________

Kim Ly

Dated this 26th day of november 2019

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COMMUNITY LEGAL CENTRES NSW INC.
ABN: 22 149 415 148
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COMMUNITY LEGAL CENTRES NSW INC.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Community Legal Centres NSW Inc., "the Association", which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in members funds, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report of Community Legal Centres NSW Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporations Act 2009*, including:

(a) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

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 *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to 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 Community Legal Centres NSW Inc. to meet the requirements of the ACNC Act and the *Associations Incorporation Act 2009*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

PITCHER PARTNERS

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Other Information

The committee is responsible for the other information. The other information comprises the information included in the Committee's report for the year ended 30 June 2019 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 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 ACNC Act, the *Association Incorporation Act 2009* and for such internal control as the committee determine 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 they either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 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 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 Association's internal control.

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- 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 Association'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 Association 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 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.

Mark Godlewski

MARK GODLEWSKI

Partner

26 November 2019

Pitcher Partners

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SYDNEY