

WESTERN COMMUNITY LEGAL CENTRE LIMITED

ABN 72 604 181 071

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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ABN 72 604 181 071
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WESTERN COMMUNITY LEGAL CENTRE LIMITED
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DIRECTORS' REPORT

The Directors present their report on the Company for the financial year ended 30 June 2020.

Directors

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

Vernon Fettke	Chairperson/ Director
Sarah Jane Strapps	Secretary/ Public Officer/ Director
Meredith Blackstock	Director
Rhys Benny	Director
Meseret Abebe	Director
Patricia Crossin	Director
Stuart Brown	Director

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

Company Secretary

Sarah Strapps held the position of the Company Secretary at the end of the financial year.

Principal Activities

The principal activity of the company during the financial year was to provide free legal assistance and financial counselling for the benefit of people who live, work or study in the City of Maribyrnong, Wyndham or Hobsons Bay.

The Centre assists individuals by:

- Providing free legal advice
- Providing financial counselling services for people experiencing financial difficulties
- Referring people to a solicitor or other organisation best placed to assist with the problem
- Providing an interpreter for interviews

There were no significant changes in the principal activities of the Company during the year.

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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DIRECTORS' REPORT

Short Term and Long Term Objectives

The company's short term and long term objectives are:

1. Embedding a coherent approach to systemic impact work, informed by, and integrated with, case work, education and community development.

1.1 We have an evidence-based process to determine our impact areas, priorities, campaigns and areas of focus along with allocation of resources and these are reviewed periodically.

1.2 We generate and maintain an ethos of uncompromising strategic pursuit of client and community outcomes.

1.3 Our systemic impact work is collaborative and sits across all areas of our practice.

2. Designing an operating model, legal services and processes which are client-centred and provide clients with whole of person support.

2.1 Our Operating Model reflects our approach to systemic impact work and responds to the needs of our community. This includes comprehensive triaging, and effective internal and external referral processes.

2.2 Our legal service design:

- is informed by our clients and/or community needs
- ensures consistency and quality delivery.

2.3 We work with partners who have a shared commitment to provide clients with comprehensive, ethical and holistic services.

3. Deepening our organisational culture to build capability, promote collaboration and deliver excellence.

3.1 Our performance reflects and aligns with our vision, purpose and strategic priorities.

3.2 We have a strengthened understanding as to how our organisation functions.

3.3 We provide opportunities to evolve skills, expertise, leadership and career development.

3.4 Our staff are engaged, motivated and have opportunities to flourish through work life balance.

3.5 We prioritise staff wellbeing.

3.6 Our diverse workforce reflects our diverse community.

4. Establishing internal systems and processes to strengthen our foundations.

4.1 We have built and/or consolidated the support functions including:

- Information systems.
- People function including recruitment, performance, promotions, reward, recognition and accountabilities.
- Reporting lines and responsibilities across the organisation.
- Internal and external communication.
- Risk management and quality assurance framework.

5. Build fiscal capability and sustainability.

5.1 Our funding strategy is directed at medium and long-term sustainability and addresses fiscal needs including workforce security.

5.2 We have established and maintained strong and impactful relationships with funders and stakeholders.

5.3 We have influence regarding the manner in which funding is directed and allocated across government, trusts and philanthropic community.

5.4 We explore and research potential revenue streams.

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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DIRECTORS' REPORT

Strategy for achieving short and long-term objectives

To achieve these objectives, the Company has adopted the following strategies:

Client and Services

- Maintain priority client groups
- Identify new priority groups
- Refine outreach and night services
- Review use of technology

Law and Policy Reform

- Embed public interest culture
- Strengthen and expand stakeholder relationships
- Embed public interest response model
- Implement policy action plan
- Pursue recommendations in submissions and public interest reports

Our People

- Embed organisational structure
- Create professional development training program
- Review flexible workplace processes

Operational Processes

- Begin work on improved locations and coordination for maximum efficiency and collaboration
- Review and expand financial reserves
- Review financial base
- Finalise full suite of policies
- Review social media strategies

Meetings of Directors

During the financial year and to the date of this report, 6 meetings of Directors were held.

Attendances by each director during the year were as follows:

	Meetings	
	Number eligible to attend	Number attended
Vernon Fettke	6	5
Sarah Strapps	6	6
Meredith Blackstock	6	4
Rhys Benny	6	4
Meseret Abebe	6	6
Patricia Crossin	6	6
Stuart Brown	6	4

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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DIRECTORS' REPORT

After balance day events

A matter has continued to evolve since 30 June 2020 that has significantly affected, or may significantly affect:

- (a) the entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

The COVID19 pandemic is likely to induce changes in the state of affairs of the Company during the financial period ended 30 June 2021. The Board of Directors will take all necessary measures to preserve capital and shepherd the Company through this uncertain period.

Contribution in Winding Up

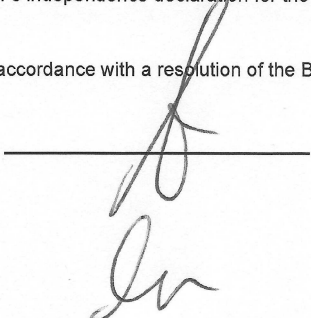
Western Community Legal Centre Limited is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company. The members of the company are past and present directors.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2020 has been received and is included in this report on Page 5.

Signed in accordance with a resolution of the Board of Directors.

Director



VERNON J FETIKE

Dated: 15 October 2020

STUART BROWN



Collins & Co Audit Pty Ltd

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Footscray VIC 3011
Australia

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF WESTERN COMMUNITY LEGAL CENTRE LIMITED A.B.N. 72 604 181 071

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2020 there have been:

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

Frederik Ryk Ludolf Eksteen CA
ASIC Auditor Registration Number 421448

Collins & Co Audit Pty Ltd
127 Paisley Street
FOOTSCRAY VIC 3011

Dated this 26th day of October 2020

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Government grant funding income		2,967,197	2,903,371
Other grant funding income		754,722	608,521
Philanthropic funded project income		655,908	190,124
Other income		561,739	59,166
Administration expenses		(125,133)	(114,667)
Depreciation expenses		(24,704)	(36,144)
Employment expenses		(39,832)	(23,482)
Occupancy expenses		(59,524)	(275,732)
Organisational expenses		(121,949)	(118,063)
Right of use asset - leased premises expenses		(235,200)	-
Staff salaries and wages expenses		(3,686,425)	(3,193,907)
Net surplus/(deficit) before income tax		646,799	(813)
Income tax expense	1 (l)	-	-
Net surplus/(deficit) attributable to the Company		646,799	(813)

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Surplus/(deficit) for the year	646,799	(813)
Other comprehensive income after income tax	-	-
Total comprehensive income for the year	646,799	(813)
Total comprehensive income attributable to the Company	646,799	(813)

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	1,913,998	1,347,801
Trade and other receivables	3	523,401	197,150
Other current assets	4	22,544	50,201
TOTAL CURRENT ASSETS		2,459,943	1,595,152
NON CURRENT ASSETS			
Property, plant and equipment	5	243,624	241,769
Intangible assets	6	768,625	-
TOTAL NON-CURRENT ASSETS		1,012,249	241,769
TOTAL ASSETS		3,472,192	1,836,921
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other liabilities	7	1,297,858	1,111,682
Provisions	8	435,032	427,232
Lease liabilities	9	204,112	-
TOTAL CURRENT LIABILITIES		1,937,002	1,538,914
NON-CURRENT LIABILITIES			
Provisions	8	-	-
Lease liabilities	9	590,384	-
TOTAL NON-CURRENT LIABILITIES		590,384	-
TOTAL LIABILITIES		2,527,386	1,538,914
NET ASSETS		944,806	298,007
EQUITY			
Accumulated funds		944,806	298,007
TOTAL EQUITY		944,806	298,007

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated funds \$	Total \$
Balance as at 1 July 2018	298,820	298,820
Surplus/(deficit) attributable to the Company	(813)	(813)
Balance as at 30 June 2019	<u>298,007</u>	<u>298,007</u>
Surplus/(deficit) attributable to the Company	646,799	646,799
Balance as at 30 June 2020	<u>944,806</u>	<u>944,806</u>

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grant funding and other income		4,650,223	4,107,554
Payments to suppliers and employees		(3,870,733)	(3,735,777)
Interest paid		(33,291)	-
Interest received		22,595	18,040
Net cash generated from/(used in) operating activities	10	<u>768,794</u>	<u>389,817</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(26,559)	(9,044)
Proceeds from disposal of property, plant and equipment		-	-
Net cash (used in)/provided by investing activities		<u>(26,559)</u>	<u>(9,044)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities - leased premises		(176,038)	-
Net cash used in financing activities		<u>(176,038)</u>	<u>-</u>
Net increase/(decrease) in cash held		566,197	380,773
Cash and cash equivalents at beginning of financial year		1,347,801	967,028
Cash and cash equivalents at end of financial year	2	<u><u>1,913,998</u></u>	<u><u>1,347,801</u></u>

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Statement of Significant Accounting Policies

The financial statements and notes represent those of Western Community Legal Centre Limited, the Company.

Basis of preparation

The Company has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the *Australian Charities and Not for Profits Commission Act 2012* and the *Corporations Act 2001*. The Company is a not-for-profit Company for financial reporting purposes under Australian Accounting Standards.

The financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Board of Directors on 13 October 2020.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Property, Plant and Equipment

Freehold land and buildings, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Increases in the carrying amount arising on the revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation.

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 1. Statement of Significant Accounting Policies (continued)

a. Property, Plant and Equipment (continued)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

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

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

Class of Fixed Asset	Depreciation Rate
Buildings and building improvements	20% - 50%
Equipment	20% - 35%
Motor vehicles	20%

b. Impairment of Assets

At each reporting date, the company reviews the carrying values 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 assets carrying value over its recoverable amount is expensed to the income statement.

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

c. Leases

Leased Assets

For any new contracts entered on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Statement of Significant Accounting Policies (continued)

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Accounting for Leases under AASB 16

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from AASB 117 and has not applied AASB 16 to arrangements that were previously not identified as lease under AASB 117.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

Statement of Significant Accounting Policies (continued)

Accounting for Leases under AASB 16 (continued)

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 4%.

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

d. Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Note 1. Statement of Significant Accounting Policies (continued)

d. Financial Instruments (continued)

Financial assets at fair value through the profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of reporting period. If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments would be tainted and reclassified as available-for-sale.

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

Fair value

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

Impairment

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

Note 1. Statement of Significant Accounting Policies (continued)

d. Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. Employee Benefits

Short term benefits

The provisions for employee entitlements to wages, salaries, annual and paid maternity leave represent obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on wage and salary rates, including related on-costs, which the Company expects to pay at the end of each reporting period.

Long term benefits

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date.

Superannuation

Superannuation contributions are made by the Company to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. The Company has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

f. Provisions

Provisions are recognised when the Company 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 using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g. Cash and Cash Equivalents

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

Note 1. Statement of Significant Accounting Policies (continued)

h. Revenue

Revenue comprises revenue from the government & philanthropic grants, fundraising activities, fees for service and client contributions.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The mandatory date of adoption for AASB 15 and AASB 1058 was 1 January 2019. The Company has elected to apply the modified retrospective approach allowable under the Standard, reflecting the cumulative impact arising from adoption (if any) as an adjustment to opening accumulated surplus at 1 January 2019. As a result, comparative financial information has not been restated.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

- Step 1 – Identify the contract with the customer
- Step 2 – Identify the sufficiently specific performance obligations to be satisfied
- Step 3 – Measure the expected consideration
- Step 4 – Allocate that consideration to each of the performance obligations in the contract
- Step 5 – Recognise revenue

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the entity to further its objectives. Otherwise, assets acquired are recognised at cost.

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1004 Contributions
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets
- AASB 9 Financial Instruments

Client Contributions

Fees charged for services provided to clients are recognised when the service is provided.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Interest Revenue

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

Note 1. Statement of Significant Accounting Policies (continued)

i. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

j. Borrowing Costs

Borrowing costs are expensed in the period in which the costs are incurred.

k. 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 Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows excluded from the receipts from customers or the payments to suppliers.

l. Taxes

Income Tax

By virtue of its aims as set out in the constitution, the Company qualifies as an organisation specifically exempt from income tax under the *Income Tax Assessment Act 1997*.

Land Tax

The Company is exempt from land tax because the property is used exclusively for a charitable purpose.

Payroll Tax

The Company is exempt from payroll tax because it is classified as a Public Benevolent Institution, as well as being a not-for-profit with a dominant charitable purpose.

Stamp Duty

The Company is exempt from stamp duty because the Company's purpose and activities are exclusively charitable.

m. Comparative Figures

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

When a Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

Note 1. Statement of Significant Accounting Policies (continued)

n. Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets.

Where an impairment trigger exists, the recoverable amount of the asset is determined.

Useful Lives of Depreciable Assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

o. New and Revised Standards that are effective for these financial statements

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Board of Directors has elected not to early adopt any of the new and amended pronouncements.

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Note 2. Cash and Cash Equivalents		
Cash at bank - General Cheque Account	212,728	419,190
Cash at bank - Call Account	951,384	200,238
Cash at bank - Term Deposit	744,275	726,326
Cash at bank - Debit Card Account	4,931	1,367
Cash on hand	680	680
	<u>1,913,998</u>	<u>1,347,801</u>
 Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	1,913,998	1,347,801
	<u>1,913,998</u>	<u>1,347,801</u>
 Note 3. Trade and Other Receivables		
Trade debtors	350,573	185,900
Accrued income	162,028	450
Bonds and security deposits	10,800	10,800
	<u>523,401</u>	<u>197,150</u>
 Note 4. Other Current Assets		
Prepayments	22,544	50,201
	<u>22,544</u>	<u>50,201</u>
 Note 5. Property, Plant and Equipment		
Equipment and furniture - VLA assets		
At cost	241,131	228,518
Accumulated depreciation	(91,896)	(81,534)
	<u>149,235</u>	<u>146,984</u>
 Equipment and Furniture - Non-VLA assets		
At cost	83,322	83,322
Accumulated depreciation	(49,123)	(36,078)
	<u>34,199</u>	<u>47,244</u>
 Fitout - Werribee premises		
At cost	64,890	64,890
Accumulated amortisation	(18,646)	(17,349)
	<u>46,244</u>	<u>47,541</u>
Software & Website Development - Capital work-in-progress	13,946	-
Total property, plant and equipment	<u>243,624</u>	<u>241,769</u>

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 5. Property, Plant and Equipment (continued)

Reconciliation of movement in carrying values

	Equipment and furniture VLA assets	Equipment and furniture Non-VLA assets	Fitout Werribee premises	Software & Website Development	Total property, plant and equipment
Written down value at 1 July 2018	167,472	51,615	49,782	-	268,869
Additions	-	6,794	2,250	-	9,044
Disposals	-	-	-	-	-
Depreciation expense	(20,488)	(11,165)	(4,491)	-	(36,144)
Written down value at 30 June 2019	146,984	47,244	47,541	-	241,769
	Equipment and furniture VLA assets	Equipment and furniture Non-VLA assets	Fitout Werribee premises	Software & Website Development	Total property, plant and equipment
Written down value at 1 July 2019	146,984	47,244	47,541	-	241,769
Additions	12,613	-	-	13,946	26,559
Disposals	-	-	-	-	-
Depreciation expense	(10,362)	(13,045)	(1,297)	-	(24,704)
Written down value at 30 June 2020	149,235	34,199	46,244	13,946	243,624

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Note 6. Intangible Assets		
Right of use asset - leased premises		
At cost	970,534	-
Accumulated amortisation	(201,909)	-
	<u>768,625</u>	<u>-</u>
Note 7. Accounts Payable and Other Liabilities		
Current - unsecured		
Accounts payable	115,004	46,394
Accrued expenses	127,871	58,853
Grants in advance	952,835	893,332
GST liability/(asset)	50,226	70,814
PAYG Withholding payable	51,922	42,289
Superannuation payable	-	-
	<u>1,297,858</u>	<u>1,111,682</u>
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total current	1,297,858	1,111,682
- Total non-current	-	-
	<u>1,297,858</u>	<u>1,111,682</u>
Note 8. Provisions		
Current		
Provision for annual leave	295,355	220,604
Provision for long service leave	139,677	206,628
	<u>435,032</u>	<u>427,232</u>
Non-current		
Provision for long service leave	-	-
	<u>-</u>	<u>-</u>
Note 9. Lease Liabilities		
Current		
Lease liability - leased premises	204,112	-
	<u>204,112</u>	<u>-</u>
Non-current		
Lease liability - leased premises	590,384	-
	<u>590,384</u>	<u>-</u>

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Note 10. Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Operating surplus/(deficit)	646,799	(813)
Non-cash flows in profit		
Depreciation of non-current assets	24,704	36,144
Amortisation of right of use asset - leased premises	201,909	-
Changes in assets and liabilities		
(Increase)/decrease in trade debtors and other debtors	(326,251)	(176,389)
(Increase)/decrease in prepayments	27,657	13,929
Increase/(decrease) in accounts payables and accruals	126,673	(41,467)
Increase/(decrease) in grants in advance	59,503	540,801
Increase/(decrease) in employee entitlements	7,800	17,612
Cash flow from operations	768,794	389,817

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Note 11. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties and bank loans.

The Company does not have any derivative instruments at 30 June 2020.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020 \$	2019 \$
Financial Assets			
Cash and cash equivalents	2	1,913,998	1,347,801
Trade and other receivables	3	523,401	197,150
Other current assets	4	<u>22,544</u>	<u>50,201</u>
		<u>2,459,943</u>	<u>1,595,152</u>
Financial Liabilities			
Trade and other payables	7	<u>1,297,858</u>	<u>1,111,682</u>
		<u>1,297,858</u>	<u>1,111,682</u>

(i) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

(ii) Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained.

(iii) Interest Rate Risk

The Company's management analyses the interest rate exposure in the context of the most recent economic conditions and forecasts.

Note 12. Related Party Transactions

The Directors act in an honorary capacity and are not paid for their services as Directors.

There were no transactions with related parties during the 2020 year.

Note 13. Company Details

The registered office of the company is:

Level 1
8 Watton Street
WERRIBEE VIC 3030

The principal place of business of the company is:

Level 1
8 Watton Street
WERRIBEE VIC 3030

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
DIRECTORS' DECLARATION

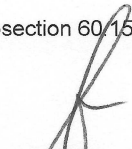
The responsible persons declare that in the responsible persons' opinion:

there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become
1. due and payable; and


the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act*
2. 2012.

Signed in accordance with subsection 60(15)(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director


VERNON J FETTEKE (CHAIR)

Director


STUART BROWN

Dated this

15th day of October 2020



WESTERN COMMUNITY LEGAL CENTRE LIMITED
A.B.N. 72 604 181 071
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the accompanying financial report of Western Community Legal Centre Limited (the company), which comprises the statement of financial position as at 30 June 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Board of Directors.

In my opinion, the accompanying financial report of Western Community Legal Centre Limited is in accordance with Division 60 of the ACNC Act 2012, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance and cash flows for the year ended on 30 June 2020; and
- ii. complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis of Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Company in accordance with the auditor independence requirements of the ACNC 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 my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the ACNC Act 2012, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor's report.

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

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 Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

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Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

Frederik Ryk Ludolf Eksteen CA
ASIC Auditor Registration Number 421448

Collins & Co Audit Pty Ltd
127 Paisley Street
FOOTSCRAY VIC 3011

Dated this 26th day of October 2020

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
INCOME		
Government Grant Funding Income	2,967,197	2,903,371
VLA Commonwealth Generalist	490,036	482,640
VLA - Family Violence State	332,232	325,720
VLA State Generalist	611,004	599,024
CAV Consumer Casework	125,343	122,885
CAV Tenancy	392,190	375,547
Department of Justice - Duty Lawyer	54,223	50,563
Department of Justice - Family Violence Hospital	54,123	50,563
Department of Justice - Pacifica	54,123	50,563
State SACS ERO Allocation	301,240	251,728
Commonwealth SACS ERO Allocation	65,597	171,004
H3 homelessness	100,000	100,000
Hobsons Bay City Council	17,282	11,295
Community Support Fund	102,060	30,001
DJPR - International Students Accommodation Legal Service	55,000	-
VLA - International Students Accommodation Legal Service	102,250	-
VLA - Streamline Fines	-	19,685
MASC	25,000	-
Fostering Integration Project	18,815	-
Employment Project income	-	74,991
OMAC (New Employment Project)	-	58,892
Wyndham City Council	-	18,907
Financial Counselling - EACH	66,679	109,363
Other Grant Funding Income	754,722	608,521
ANZ Mortgage Project	21,818	12,900
ACCAN Project	20,000	-
The Grange	45,614	43,086
New Hope Project	8,000	8,000
Relationships Australia	50,000	50,000
Tarneit Secondary College	45,617	42,978
Uniting Church	18,700	3,740
Vic University - Youth Law	259,995	260,006
VLSB - Health Agency to Court	55,750	111,500
VLSB - Mind Australia	50,279	46,217
VLSB - Youth Law	133,333	-
VWBT - Family Daycare and Centrelink	-	1,469
Wyndham Central College	45,616	28,625
Philanthropic Funded Project Income	655,908	190,124
Collier Charitable Foundation	25,000	-
Helen Macpherson Smith Trust	150,000	-
Jack Brockhoff Foundation	40,000	30,000
Kimberley Foundation	20,000	20,000
Lord Mayor Charitable Foundation - Eco Violence	-	80,124
Lord Mayor Charitable Foundation - International Students Accommodation Legal Service	28,230	-
Lord Mayor Charitable Foundation - Restoring Financial Safety	149,417	-
Lord Mayor Charitable Foundation - Youth in Poverty	13,261	-
Newsboys Foundation	30,000	30,000
O'Brien Trust	200,000	-
RE Ross Trust	-	30,000

The income statement is to be read in conjunction with the compilation report
and the notes to the financial statements.

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Other Income	561,739	59,166
Legal costs recovered	13,114	1,141
Interest received	22,595	18,040
Other income	34,227	6,658
Donations received	2,100	7,123
COVID-19 government assistance payment	469,250	-
Paid parental leave	19,272	-
Miscellaneous income	1,181	26,204
TOTAL INCOME	4,939,566	3,761,182
EXPENDITURE		
Administration Expenses	125,133	114,667
Bank fees and charges	403	290
Computer and software maintenance	28,010	17,058
Conference Expenses	6,031	8,102
Donations	-	151
Internet and web	2,119	5,351
Postage and freight	2,707	1,727
Printing and stationery	10,335	20,867
Storage	5,124	3,010
Subscriptions and memberships	25,036	24,045
Sundry expenses	-	489
Telephone and fax	45,368	33,577
Depreciation Expenses	24,704	36,144
Employment Expenses	39,832	23,482
External payroll processing	8,347	7,112
Other employee expenses	-	123
Recruitment	2,127	810
Staff training	23,225	7,931
Staff amenities	6,133	7,506
Occupancy Expenses	59,524	275,732
Cleaning and waste disposal	15,247	12,010
Insurance	4,598	12,616
Minor office equipment	5,373	2,172
Rates and outgoings	16,407	24,474
Rent paid	14,544	215,058
Repairs and maintenance	368	6,811
Venue hire	2,987	2,591
Organisational Expenses	121,949	118,063
Accounting fees	7,076	28,266
Auditors remuneration	7,000	6,600
Catering and meeting costs	6,914	1,625
Legal fees	-	6,946
Program resources	92,510	62,571
Travel and accommodation expenses	8,449	12,055
Right of Use Assets - Leased Premises Expenses	235,200	-
Amortisation of Right of Use Asset - Leased Premises	201,909	-
Finance Charges on Leased Liabilities - Leased Premises	33,291	-

The income statement is to be read in conjunction with the compilation report
and the notes to the financial statements.

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ABN 72 604 181 071
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
Staff Salaries and Wages Expenses	3,686,425	3,193,907
Salaries and wages	3,205,632	2,818,272
Superannuation contributions	335,259	298,507
Consultants and temporary staff	81,781	58,297
WorkCover insurance	7,979	1,219
Annual leave and long service leave expenses	55,774	17,612
TOTAL EXPENDITURE	4,292,767	3,761,995
NET SURPLUS/(DEFICIT) ATTRIBUTABLE TO THE COMPANY	646,799	(813)

The income statement is to be read in conjunction with the compilation report
and the notes to the financial statements.