



Western Community Legal Centre Limited

ACN: 604 181 071

Financial report

For the year ended 30 June 2021

Pitcher Partners

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WESTERN COMMUNITY LEGAL CENTRE LIMITED

ACN: 604 181 071

DIRECTORS' REPORT

The directors present their report together with the financial report of Western Community Legal Centre Limited, the "company", for the year ended 30 June 2021 and auditor's report thereon.

Directors names

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

Vernon J Fettke (Retired 24/08/2021)

Sarah Strapps

Meredith Blackstock

Meseret Abebe

Stuart Brown

Patricia Crossin

Gregory Levine (Appointed 17/06/2021)

Dana Nelson (Appointed 17/06/2021)

Rhys Benny (Retired 17/12/2020)

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

Results

The surplus of the company for the year after providing for income tax amounted to \$288,349 (2020: \$646,799).

Short-term and long-term objectives and strategies

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.**
 - a. 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.
 - b. We generate and maintain an ethos of uncompromising strategic pursuit of client and community outcomes.
 - c. Our systemic impact work is collaborative and sits across all areas of our practice.

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DIRECTORS' REPORT

Short-term and long-term objectives and strategies (Continued)

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

- a. 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.
- b. Our legal service design:
 - ◆ is informed by our clients and/or community needs
 - ◆ ensures consistency and quality delivery.
- c. 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.

- a. Our performance reflects and aligns with our vision, purpose and strategic priorities.
- b. We have a strengthened understanding as to how our organisation functions.
- c. We provide opportunities to evolve skills, expertise, leadership and career development.
- d. Our staff are engaged, motivated and have opportunities to flourish through work life balance.
- e. We prioritise staff wellbeing.
- f. Our diverse workforce reflects our diverse community.

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

- a. 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 .

- a. Our funding strategy is directed at medium and long-term sustainability and addresses fiscal needs including workforce security.
- b. We have established and maintained strong and impactful relationships with funders and stakeholders.
- c. We have influence regarding the manner in which funding is directed and allocated across government, trusts and philanthropic community.

DIRECTORS' REPORT

Short-term and long-term objectives and strategies (Continued)

d. We explore and research potential revenue streams.

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 and public interest response model
- Strengthen and expand stakeholder relationships
- 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

- Improve locations and coordination for maximum efficiency and collaboration
- Review and expand financial reserves
- Review financial base
- Implement and maintain policy register
- Review social media strategies

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DIRECTORS' REPORT

Principal activities

To carry out the company's strategies and to achieve its short-term and long-term objectives, the company engaged in the following principal activities during the year.

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 Maribynong, 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
- Providing systematic advocacy, policy campaigns and implementing reform agendas

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

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments

The company expects to maintain the present status and level of operations.

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DIRECTORS' REPORT

Information on directors

Vernon J Fettke

Director

Qualifications

OAM BJ JP KSJ MBA FAICD FIML

Experience

Vernon Fettke is the founding Chair of WEstJustice and former Chair of Wyndham Community Legal Centre. Vernon has served his community through Rotary International (Director), Werribee Chamber of Commerce (Chair), Mambourin Enterprises (Chair), Wyndham BIZNET (President) and a number of other organisations.

Vernon has recently retired from his business, Homestead Financial Group where he served the West of Melbourne for 24 years as the Founder and Executive Chairman. He has been a Justice of the Peace for 30 years and a Bail Justice for six years. Vernon was recognised in 2018 as a Knight of the Order of Saint John, in 2019 awarded the Order of Australia Medal for his services to the community and has served the Royal Australian Air Force and received the Military Medal. Vernon is a Fellow of the Australian Institute of Company Directors and A Fellow of the Institute of Managers and Leaders.

Special responsibilities

Former Chairperson/Director

Sarah Strapps

Director

Qualifications

BA/LLB, DipLegalPrac

Experience

Sarah has over 12 years of practice as a lawyer specialising in corporate and commercial matters. Member of the Footscray Community Legal Centre Committee of Management 2006 – 2015.

Special responsibilities

Secretary/Public Officer/Member of PCNC

Meredith Blackstock

Director

Qualifications

GAICD, GradCert Competitive Enterprising, MBA, GradCertMgt, PGDipErg

Experience

Meredith is an experienced HR professional with an innovative approach to organisational development and employee relations. Secretary of Wyndham Legal Service 2013-2015 Director and Company Secretary of Dive Experience Pty Ltd

Special responsibilities

Chair of PCNC; Member of FRAC

Meseret Abebe

Director

Qualifications

DipAcc, Dip Sociology, DipCW, BA(Community Development) GAICD

Experience

Meseret has worked at a number of community organisations and is knowledgeable and engaged with the refugee community. Member of the Footscray Community Legal Centre Committee of Management 2007 – 2015.

Special responsibilities

Member of PCNC

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DIRECTORS' REPORT

Information on directors (Continued)

Stuart Brown	Director
Qualifications	CAANZ, GAICD, MBA, GradDip (Finance), BSC (Econ)
Experience	Stuart is an experienced commercial finance leader with a diverse professional background, including leadership roles in private equity, not-for-profit, NYSE and ASX listed organisations. He currently heads up the finance function for a commercial professional services organisation. Stuart has broad governance experience with many previous Board/governance council roles in both the corporate and not-for-profit sector.
Special responsibilities	Chair of FRAC
Patricia Crossin	Director
Qualifications	BEd, DipEd (Primary), MAICD
Experience	Trish has a strong background in community, sports and government Board appointments. She was a former Senator and Chair of the Senate Legal and Constitutional Committee and founding chair of the NT Working Women's Centre. She has extensive knowledge of the public and private sectors and direct government experience. Current board positions include the Indigenous Land and Sea Corporation, Primary Partners Pty Ltd, Asthma Foundation NT, Special Advisor to Gender Equity Victoria and a member of the Wyndham City Council Reconciliation Advisory Committee.
Special responsibilities	Member of FRAC
Gregory Levine	Director
Qualifications	LL.B, Post-Grad. Dip. (Criminology)
Experience	Greg Levine currently serves as a Reserve Magistrate and was a Magistrate in the Children's Court of Victoria and Sunshine Magistrates Court for 35 years. Prior to this, Greg was a lawyer for 16 years. In 2015, Greg was awarded an OAM for services to children, the judiciary, and legal organisations. In 2011, Greg was awarded a Churchill Fellowship to study Family Drug Treatment Courts (FDTC) in the United States. Greg was successful in developing the FDTC in Melbourne sitting at the Broadmeadows and Shepparton Children's Courts. Greg is a Board Member for the Centre for Excellence in Child and Family Welfare; an Ambassador for the Big Brothers and Big Sisters Program; and the Chair of the Family Drug Treatment Court Steering Group.
Special responsibilities	

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DIRECTORS' REPORT

Information on directors (Continued)

Dana Nelson	Director
Qualifications	Master of Leadership and Innovation
Experience	<p>Dana Nelson joined BGIS as the President and Managing Director, Asia Pacific in August 2019. In this role she leads a team of 1,500 people who deliver solutions in facilities management, technical services, project delivery, energy and sustainability, asset management, workplace advisory and real estate services. She oversees a portfolio of large Government, PPPs and major private sector clients including Department of Defence, Casey Hospital, Edith Cowan University, MCEC, Telstra, Rio Tinto, BP, Virgin Airlines and Western Power.</p> <p>Dana has achieved great success in a number of Senior Executive roles in large, complex services organisations. Most recently with the Spotless Group, a multi-billion dollar integrated facilities services organisation with 36,000 employees in Australia and New Zealand. Throughout her 10 years at Spotless, Dana provided leadership as the Chief Operating Officer and ultimately Chief Executive Officer.</p>
Special responsibilities	Chairperson/Director/Member of FRAC/member of PCNC
Rhys Benny	Director
Qualifications	BMn, LLB, GAICD, CertGovRiskMgt
Experience	<p>Rhys is an experienced public executive having held senior roles across both the Commonwealth and Victorian public service. His key contributions have been regulatory settings working across the regulation, enforcement and compliance areas of the Australian Competition and Consumer Commission and more recently as an executive at Consumer Affairs Victoria. He has also managed corporate, strategy and performance functions and led organisational change and transformation programs across a number of public sector organisations.</p> <p>He holds degrees in Management and Law, is a certified member of the Australian Institute of Company Directors and the Australian Governance Institute as well as a certified change management practitioner.</p>
Special responsibilities	

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DIRECTORS' REPORT

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Vernon J Fettke	7	7
Sarah Strapps	7	7
Meredith Blackstock	7	7
Meseret Abebe	7	6
Stuart Brown	7	7
Patricia Crossin	7	7
Gregory Levine	1	1
Dana Nelson	1	1
Rhys Benny	4	3

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the company.

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

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



Director: _____

Dana Nelson



Director: _____

Stuart Brown

Dated this 28TH day of OCTOBER 2021

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF WESTERN COMMUNITY LEGAL CENTRE LIMITED

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



M J Harrison
Partner



PITCHER PARTNERS
Melbourne

Date: 28 October 2021

WESTERN COMMUNITY LEGAL CENTRE LIMITED

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 (Restated) \$
Revenue and other income			
Revenue from contracts with customers	2	4,465,708	4,361,042
Other revenue	3	<u>705,629</u>	<u>578,524</u>
		<u>5,171,337</u>	<u>4,939,566</u>
Less: expenses			
Depreciation and amortisation expense	4	(51,659)	(24,704)
Employee benefits expense		(4,185,989)	(3,686,425)
Occupancy expense		(183,029)	(252,101)
Lease expense		(121,243)	(42,623)
Organisational expenses		(133,380)	(121,949)
Employment expenses		(37,395)	(39,832)
Other expenses		<u>(170,293)</u>	<u>(125,133)</u>
		<u>(4,882,988)</u>	<u>(4,292,767)</u>
Surplus before income tax expense		288,349	646,799
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>288,349</u></u>	<u><u>646,799</u></u>

The accompanying notes form part of these financial statements.

WESTERN COMMUNITY LEGAL CENTRE LIMITED

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 \$	2020 (Restated) \$
Current assets			
Cash and cash equivalents	5	3,185,341	1,913,998
Receivables	6	39,468	523,401
Other assets	7	<u>105,041</u>	<u>22,544</u>
Total current assets		<u>3,329,850</u>	<u>2,459,943</u>
Non-current assets			
Lease assets	8	423,324	47,030
Property, plant and equipment	9	<u>278,023</u>	<u>243,624</u>
Total non-current assets		<u>701,347</u>	<u>290,654</u>
Total assets		<u>4,031,197</u>	<u>2,750,597</u>
Current liabilities			
Payables	10	396,391	345,023
Lease liabilities	8	183,156	16,312
Provisions	11	585,893	435,032
Other liabilities	12	<u>1,312,178</u>	<u>952,835</u>
Total current liabilities		<u>2,477,618</u>	<u>1,749,202</u>
Non-current liabilities			
Lease liabilities	8	249,503	30,718
Provisions	11	<u>45,050</u>	<u>-</u>
Total non-current liabilities		<u>294,553</u>	<u>30,718</u>
Total liabilities		<u>2,772,171</u>	<u>1,779,920</u>
Net assets		<u>1,259,026</u>	<u>970,677</u>
Equity			
Accumulated Surplus		<u>1,259,026</u>	<u>970,677</u>
Total equity		<u>1,259,026</u>	<u>970,677</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Surplus \$	Total equity \$
Balance as at 1 July 2019	323,878	323,878
Surplus for the year	646,799	646,799
	<u>-</u>	<u>-</u>
Restated profit for the year	<u>646,799</u>	<u>646,799</u>
Total comprehensive income for the year	<u>646,799</u>	<u>646,799</u>
Balance as at 30 June 2020	<u>970,677</u>	<u>970,677</u>
Restated balance as at 1 July 2020	970,677	970,677
Surplus for the year	<u>288,349</u>	<u>288,349</u>
Total comprehensive income for the year	<u>288,349</u>	<u>288,349</u>
Balance as at 30 June 2021	<u>1,259,026</u>	<u>1,259,026</u>

The accompanying notes form part of these financial statements.

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	(Restated) \$
Cash flow from operating activities			
Receipts from customers		6,449,826	5,056,509
Payments to suppliers and employees		(4,977,409)	(4,469,147)
Interest received		17,279	22,595
Interest paid		<u>(9,742)</u>	<u>(1,075)</u>
Net cash provided by operating activities		<u>1,479,954</u>	<u>608,882</u>
Cash flow from investing activities			
Payment for property, plant and equipment		<u>(100,003)</u>	<u>(26,559)</u>
Net cash used in investing activities		<u>(100,003)</u>	<u>(26,559)</u>
Cash flow from financing activities			
Repayment of lease (principle)		<u>(108,608)</u>	<u>(16,126)</u>
Net cash used in financing activities		<u>(108,608)</u>	<u>(16,126)</u>
Reconciliation of cash			
Cash at beginning of the financial year		1,913,998	1,347,801
Net increase in cash held		<u>1,271,343</u>	<u>566,197</u>
Cash at end of financial year	13(a)	<u><u>3,185,341</u></u>	<u><u>1,913,998</u></u>

The accompanying notes form part of these financial statements.

WESTERN COMMUNITY LEGAL CENTRE LIMITED

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Western Community Legal Centre Limited as an individual entity. Western Community Legal Centre Limited is a company limited by guarantee, incorporated and domiciled in Australia. Western Community Legal Centre Limited is a not-for-profit entity for the purpose of preparing the financial statements.

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

The following are the significant accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(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.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(c) Revenue from contracts with customers

The company derives revenue from government grants, as well as some other grant funding and service agreements in place. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donations

Donations are recognised as revenue when received.

Revenue from the provision of services

Revenue from the provision of services comprises revenue derived from the supply of legal staff and assistance at facilities such as schools. These services are provided under contractual arrangements that contain enforceable and sufficiently specific performance obligations. Revenue from the provision of services is recognised over time, as performance obligations are satisfied, based on either costs incurred or service hours performed, consistent with the manner in which services are provided.

(d) Other revenue and other income

Interest

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

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

(e) 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 present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Employee benefits (Continued)

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company 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.

(f) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company 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.

(g) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the company, and an estimate of costs to be incurred by the company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the company's incremental borrowing rate.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases (Continued)

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(h) Property, plant and equipment

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

Property

Freehold land and buildings are measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any accumulated impairment losses. At each reporting date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity. To the extent that the increase reverses a decrease of the same class of asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same class of asset are recognised in other comprehensive income; all other decreases are recognised in profit or loss.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

Land is not depreciated. 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.

Class of fixed asset	Depreciation rates	Depreciation basis
Office equipment at cost	7-33%	Straight line
Furniture, fixtures and fittings at cost	7-33%	Straight line

WESTERN COMMUNITY LEGAL CENTRE LIMITED

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 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.

(j) 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(k) Income tax

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

(l) Comparatives

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

	2021	2020
	\$	(Restated) \$
NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from contracts with customers		
Sales income		
Government grant funding income	3,501,090	3,193,101
Philanthropic funded project income	<u>964,618</u>	<u>1,167,941</u>
	<u>4,465,708</u>	<u>4,361,042</u>

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	(Restated)
		\$
NOTE 3: OTHER REVENUE AND OTHER INCOME		
Other revenue		
Interest income	17,279	22,595
Government subsidies and support revenue- cashflow boost	50,000	70,000
Jobkeeper income	<u>638,350</u>	<u>485,929</u>
	<u><u>705,629</u></u>	<u><u>578,524</u></u>
NOTE 4: OPERATING SURPLUS		
Surplus before income tax has been determined after:		
Depreciation		
- office furniture and equipment	51,659	24,704
- leased assets	111,501	15,677
Other lease expenses		
- Finance charges on lease	9,742	26,946
Employee benefits expense	4,185,989	3,686,425
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	680	680
Cash at bank	2,426,589	1,169,043
Cash on deposit	<u>758,072</u>	<u>744,275</u>
	<u><u>3,185,341</u></u>	<u><u>1,913,998</u></u>
NOTE 6: RECEIVABLES		
CURRENT		
Receivables from contracts with customers	13,438	350,573
Other receivables		
Bonds and security deposits	7,140	10,800
Accrued income	<u>18,890</u>	<u>162,028</u>
	<u><u>26,030</u></u>	<u><u>172,828</u></u>
	<u><u>39,468</u></u>	<u><u>523,401</u></u>

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ACN: 604 181 071

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	(Restated)
		\$
 NOTE 7: OTHER ASSETS		
CURRENT		
Prepayments	6,650	22,544
Right of Reimbursement- Victorian Portable LSL Scheme	<u>98,391</u>	<u>-</u>
	<u><u>105,041</u></u>	<u><u>22,544</u></u>
 NOTE 8: LEASE ASSETS AND LEASE LIABILITIES		
(a) Lease assets		
Buildings		
Under lease	550,499	62,707
Accumulated depreciation	<u>(127,175)</u>	<u>(15,677)</u>
Total carrying amount of lease assets	<u><u>423,324</u></u>	<u><u>47,030</u></u>
 Reconciliations		
Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:		
<i>Buildings</i>		
Opening carrying amount	47,030	-
Additions	487,795	62,707
Depreciation	<u>(111,501)</u>	<u>(15,677)</u>
Closing carrying amount	<u><u>423,324</u></u>	<u><u>47,030</u></u>
 (b) Lease liabilities		
CURRENT		
Property leases	<u>183,156</u>	<u>16,312</u>
NON CURRENT		
Property leases	<u>249,503</u>	<u>30,718</u>
Total carrying amount of lease liabilities	<u><u>432,659</u></u>	<u><u>47,030</u></u>

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	(Restated) \$
NOTE 8: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)		
(c) Lease expenses and cashflows		
	2021	2020
	\$	(Restated) \$
Interest expense on lease liabilities	9,742	1,075
Depreciation expense on lease assets	111,501	15,677
Cash outflow in relation to leases	108,608	16,126

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

Office equipment at cost	396,347	324,453
Accumulated depreciation	<u>(182,459)</u>	<u>(141,019)</u>
	213,888	183,434
Furniture, fixtures and fittings at cost	92,999	64,890
Accumulated depreciation	<u>(28,864)</u>	<u>(18,646)</u>
	64,135	46,244
Software & Website Development	<u>-</u>	<u>13,946</u>
Total property, plant and equipment	<u><u>278,023</u></u>	<u><u>243,624</u></u>

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

<i>Office equipment</i>		
Opening carrying amount	183,434	194,228
Additions	71,894	12,613
Depreciation expense	<u>(41,440)</u>	<u>(23,407)</u>
Closing carrying amount	<u><u>213,888</u></u>	<u><u>183,434</u></u>

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	(Restated) \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	46,244	47,541
Additions	28,109	-
Depreciation expense	<u>(10,218)</u>	<u>(1,297)</u>
Closing carrying amount	<u><u>64,135</u></u>	<u><u>46,244</u></u>
<i>Other capital assets</i>		
Opening carrying amount	13,946	-
Additions	-	13,946
Transfers to other asset classes	<u>(13,946)</u>	-
Closing carrying amount	<u><u>-</u></u>	<u><u>13,946</u></u>
NOTE 10: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	37,040	115,004
GST credits	114,039	50,226
Other payables	64,684	51,922
Accrued expenses	<u>180,628</u>	<u>127,871</u>
	<u><u>396,391</u></u>	<u><u>345,023</u></u>
NOTE 11: PROVISIONS		
CURRENT		
Employee benefits	(a) <u>585,893</u>	<u>435,032</u>
NON CURRENT		
Employee benefits	(a) <u>45,050</u>	<u>-</u>
(a) Aggregate employee benefits liability	630,943	435,032

WESTERN COMMUNITY LEGAL CENTRE LIMITED

ACN: 604 181 071

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 (Restated) \$
NOTE 12: OTHER LIABILITIES		
CURRENT		
Deferred income	<u>1,312,178</u>	<u>952,835</u>

NOTE 13: 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 as follows:

Cash on hand	680	680
Cash at bank	2,426,589	1,169,043
At call deposits with financial institutions	<u>758,072</u>	<u>744,275</u>
	<u>3,185,341</u>	<u>1,913,998</u>

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2021 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2021, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2021, of the company.

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

Total compensation received by key management personnel	<u>1,019,549</u>	<u>900,409</u>
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The names of directors who have held office during the year are:

Name	Appointment / resignation details
Vernon J Fettke	(Retired 24/08/2021)
Sarah Strapps	
Meredith Blackstock	
Meseret Abebe	
Stuart Brown	
Patricia Crossin	
Gregory Levine	(Appointed 17/06/2021)
Dana Nelson	(Appointed 17/06/2021)

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

Rhys Benny

(Retired 17/12/2020)

NOTE 16: PRIOR PERIOD ERROR

An adjustment has been made to prior year balances in regard to the implementation of *AASB16 Leases*. The nature of the adjustment was to reduce the initial recognition of leased right of use assets (\$721,595) and the corresponding liability (\$747,466) for an overstated expected tenancy period to leased premises. The adjustment increased the opening balance of accumulated surplus \$25,871 at transition.

NOTE 17: ECONOMIC DEPENDENCE

A significant portion of the Company's revenue is obtained from government grants and funding (2021: \$3,501,090, 2020: \$3,193,101). The Company is economically dependent on continued government funding to maintain its future operations.

NOTE 18: COMPANY DETAILS

The registered office of the company is:

Western Community Legal Centre Limited
Level 1
8 Watton Street
Werribee VIC 3030

WESTERN COMMUNITY LEGAL CENTRE LIMITED
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DIRECTORS' DECLARATION

The directors declare that:

1. there are reasonable grounds to believe that the registered entity 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*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Director: _____

Dana Nelson



Director: _____

Stuart Brown

Dated this 28TH day of OCTOBER 2021

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ACN: 604 181 071

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN COMMUNITY LEGAL CENTRE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Western Community Legal Centre Limited, "the Company", which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Western Community Legal Centre Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 Company 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 (including Independence Standards)* "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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, 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

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ACN: 604 181 071

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN COMMUNITY LEGAL CENTRE LIMITED

Other Information (Continued)

any form of assurance conclusion thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company'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:

WESTERN COMMUNITY LEGAL CENTRE LIMITED
ACN: 604 181 071

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN COMMUNITY LEGAL CENTRE LIMITED

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

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



M J Harrison

Partner

Date 28 October 2021



PITCHER PARTNERS

Melbourne