

COMMUNITY LEGAL CENTRES ASSOCIATION (WA) INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Community Legal Centres Association (WA) Inc
30 June 2022 Financial Report

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Community Legal Centres Association (WA) Inc
30 June 2022 Financial Report

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	30 June 2022 \$	30 June 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	2	645,941	1,998,448
Trade and other receivables	3	80,147	-
Prepayments		5,021	7,418
Total Current Assets		731,109	2,005,866
Non-current Assets			
Property, plant and equipment	4	2,155	-
Right of use asset	5	10,793	15,641
Total Non-current Assets		12,948	15,641
TOTAL ASSETS		744,057	2,021,507
LIABILITIES			
Current Liabilities			
Trade and other payables	6	52,762	175,637
Lease liability	7	10,861	15,922
Provisions	8	15,641	36,853
Contract Liabilities	9	263,141	1,475,911
Total Current Liabilities		342,404	1,704,323
Non-current Liabilities			
Provisions	8	606	45,125
Total Non-current Liabilities		606	45,125
TOTAL LIABILITIES		343,010	1,749,448
NET ASSETS		401,047	272,059
EQUITY			
Retained earnings		273,647	144,935
Reserve		127,400	127,124
TOTAL EQUITY		401,047	272,059

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Community Legal Centres Association (WA) Inc
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	30 June 2022	30 June 2021
	\$	\$
Income		
Grant Income	1,697,856	767,878
Interest Received	498	1,296
Governance & Admin	76,575	-
Membership Income	47,518	27,262
Other Income	11,241	40,624
TOTAL INCOME	1,833,689	837,060
Expenses		
Communications	3,876	7,164
Conference Expense	-	1,718
Consultant	28,345	-
Depreciation	20,677	17,634
Employment Expenses	696,493	624,310
Finance & Accounting Fees	8,885	2,920
Governance & Admin	76,575	
Insurance	3,113	1,463
Interest Expense	395	669
IT Maintenance & Equipment	11,673	14,176
IT Software	3,072	11,806
Library, Resources & Subscriptions	13,991	5,630
Office Overheads	4,993	2,525
Other Premises Costs	-	
Programming and Planning	8,752	3,903
Projects Costs	801,010	91,220
Repairs and Maintenance	35	279
Staff Recruitment	2,798	130
Staff Training	2,796	953
Sundry Expenses	236	
Travel	16,987	14,210
TOTAL EXPENSES	1,704,702	800,710
Net Profit	128,986	36,350
Other comprehensive income/(loss)	-	-
TOTAL OTHER COMPREHENSIVE INCOME	128,986	36,350

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

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**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2022**

	Retained Earnings
	\$
Balance at 1 July 2020	235,709
Surplus for the year	36,350
Balance at 30 June 2021	<u>272,059</u>
Balance at 1 July 2021	272,059
Surplus for the year	128,986
Rounding	2
Balance at 30 June 2022	<u>401,047</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Community Legal Centres Association (WA) Inc
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	30 June 2022 \$	30 June 2021 \$
Cash flows from operating activities			
Receipts from fees, subsidies and other income		543,846	2,289,893
Payments to suppliers and employees		(1,873,411)	(784,651)
Interest received		498	1,296
Net cash provided by operating activities	10	(1,329,067)	1,506,538
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,634)	(7,773)
Net cash used in investing activities		(4,634)	(7,773)
Cash flows from financing activities			
Payments for Lease Liabilities.		(18,806)	(15,922)
Net cash used in financing activities		(18,806)	(15,922)
Net increase in cash and cash equivalents		1,998,448	1,482,843
Cash at the beginning of the financial year		(1,352,507)	515,605
Cash at the end of the year	2	645,941	1,998,448

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

1. Statement of Significant Accounting Policies

The Board has determined that the Community Legal Centres Association (WA) Inc (the “Association”) is not a reporting entity because there are no users who are unable to command the compilation of reports to satisfy their information needs. These financial statements have been prepared to meet the reporting requirements of the *Western Australian Associations Incorporation Act 2015* and the *Australian Charities and Not for Profits Commission (ACNC) Act 2012*.

The financial statements for the year ended 30 June 2022 were approved and authorised for issue by the Board of Directors on September 2022

Basis of preparation

These are special purpose financial statements that have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act (WA) 2015*. These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures'.

Basis of Measurement

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Association’s functional currency.

Use of Estimates and Judgement

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

Financial Instruments:

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to the Statement of Profit or Loss and Other Comprehensive Income immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price.

Notes to the Financial Statements (continued)

1. Statement of Significant Accounting Policies

Financial Assets:

AASB 9, allows Financial assets to be subsequently measured at:

- amortised cost;
- fair value through other comprehensive income (debt instruments);
- fair value through other comprehensive income (equity – no recycling); or
- fair value through profit or loss,

based on the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- it gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The Association only has financial assets that are measured at amortised cost including trade and other receivables and cash at bank (including term deposits).

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment.

At the end of each reporting period, the carrying values of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. An expected credit loss is recognised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents exclude deposits that are not readily convertible to known amounts of cash including amounts generally recognised as deposits that are held for a period exceeding 90 days. Consequently, term deposits with terms exceeding 90 days are recognised as receivables.

Financial Liabilities

Financial liabilities (including trade payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in the Statement of Profit or Loss and Other Comprehensive Income over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition. A financial liability cannot be reclassified.

Notes to the Financial Statements (continued)

1. Statement of Significant Accounting Policies

Property, Plant and Equipment

Property, plant and equipment are measured at cost less depreciation and any impairment losses. All assets are depreciated over their useful lives to the Association. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The carrying value of plant, property and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee Benefits

A provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the balance sheet if the Association does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Revenue Recognition

To determine whether and when to recognise revenue, the Association follows a 5-step process:

- (1) Identifying the contract with a customer;
- (2) Identifying the performance obligations;
- (3) Determining the transaction price;
- (4) Allocating the transaction price to the performance obligations; and
- (5) Recognising revenue when/as the performance obligation(s) are satisfied.

The Association's main revenue sources and accounting policies are listed below:

Grant Revenue Contracts: Federal and State Grants

Revenue is measured with respect to the ability to meet the sufficiently specific criteria under the new accounting standard *AASB 15 Revenue from Contracts with Customers*. If revenue or grant funding is a result of a contract with customer with enforceable rights, and obligations that are sufficiently specific, revenue would be recognised in accordance with AASB 15 rather than *AASB 1058 Income for Not-For-Profit Entities*. Government grants are recognised in the period in which the sufficiently specific criteria are met. If the agreement is not enforceable and/or does not contain sufficiently specific performance obligations, revenue is recognised on receipt in accordance with *AASB 1058 Income for Not for Profit Entities*.

Furthermore, if the contract contains a requirement to return unspent funds such amounts are recognised as a provision in accordance with *AASB 137 Provisions, Contingent Asset and Liabilities*.

Notes to the Financial Statements (continued)

1. Statement of Significant Accounting Policies

Capital Grants

The Association may receive cash or other financial assets to construct or acquire a non-financial asset (e.g. building) for its own use i.e. a capital grant. Such capital grants can be received from Government departments, private sector entities or individuals. The Association initially recognises a liability representing the Association's obligation to acquire or construct the non-financial asset. The liability in relation to acquiring or constructing the non-financial asset is initially measured at the carrying amount of the financial asset received from the transferor that is not attributable to related amounts for performance obligations under AASB 15, contributions by owners, etc. The liability is recognised until such time when (or as) the entity satisfies its obligations under the transfer.

Contract assets

Contract assets are recognised when the incorporated association has transferred goods or services to the customer but where the incorporated association is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Contract liabilities

Contract liabilities represent the incorporated association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the incorporated association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the incorporated association has transferred the goods or services to the customer.

Donations

Donation Income is recognised on receipt.

Leases

The Association, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the contract is assessed to be, or contains, a lease, the Association will recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability.

Initial Measurement and Subsequent Measurement:

(i) Measurement of Lease Liability:

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Association's incremental borrowing rate. Generally, the Association uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

(ii) Measurement of Right-of-Use Asset:

The Right of Use Asset is initially measured at cost comprising the initial measurement of the lease liability. Subsequent to initial recognition the right of use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

Notes to the Financial Statements (continued)

Recognition exemption - Short-term leases and leases of low-value assets

The Association has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases for low-value assets. The Association will recognise the payments associated with these leases as an expense on a straight-line basis over the lease term.

Goods and Service 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 (ATO). In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

1. Statement of Significant Accounting Policies

New and Amended Accounting Standards

Compliance with IFRS to the extent required by non-reporting entities does not result in the special purpose financial report comprising the financial statements and notes thereto, complying with International Financial Report Standards (IFRS) because IFRS do not exclude non-reporting entities from the scope of its standards. However, this special purpose financial report does comply with the measurement requirements of IFRS.

In the current year, the Association has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards (the AASB) that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2021. The adoption of these new and revised Standards and the Interpretations did not have any effect on the financial position or performance of the Association.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Association for the annual reporting period ended 30 June 2022. The Board has not early adopted any of these new or amended standards or interpretations. The Association has not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Fund) and interpretations.

Community Legal Centres Association (WA) Inc
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Notes to the Financial Statements (continued)

2. Cash and Cash Equivalents

	30 June 2022	30 June 2021
	\$	\$
Cheque Account	431,889	2,309
Cash Management Account	1,710	1,783,898
ANZ - Term deposit	212,342	212,141
Petty Cash	-	100
	645,941	1,998,448

3. Trade and Other Receivables

	30 June 2022	30 June 2021
	\$	\$
Other receivables		
Stimulus Receivable	80,147	-
	80,147	-

4. Property, plant and equipment

	30 June 2022	30 June 2021
	\$	\$
Property, plant and equipment	12,838	8,203
PPE - accumulated depreciation	(10,682)	(8,203)
	2,155	-

5. Right of Use Asset

	30 June 2022	30 June 2021
	\$	\$
Right to Use Premises	50,820	32,318
Right to Use Premises - accumulated depreciation	(40,027)	(16,676)
	10,793	15,641

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Notes to the Financial Statements (continued)

6. Trade and Other Payables

	30 June 2022	30 June 2021
	\$	\$
Trade Creditors	2,612	394
PAYG Payable	22,506	20,358
Superannuation Payable	4,809	
Business Credit Card	1,648	984
Other current Liabilities	12,255	9,160
GST Liabilities	8,931	144,741
	52,762	175,637

7. Lease Liability

	30 June 2022	30 June 2021
	\$	\$
Current Liability to Rent Premises ⁽ⁱ⁾	15,641	36,853
Non-current Liability to Rent Premises ⁽ⁱ⁾	-	-
	15,641	36,853
Balance at 1 July	15,922	32,318
Lease Modification	18,503	-
Rental Repayments	(23,958)	(17,065)
Interest Payable	395	669
Balance at 30 June	10,861	15,922

(i) The Association has a lease for the property at 31-33 Moore street, East Perth, WA 6004 to 1 February 2023.

8. Provisions

	30 June 2022	30 June 2021
	\$	\$
Current		
Provision for Annual Leave	15,641	31,364
Provision for Long Service Leave	-	5,849
	15,641	36,853
Non-current		
Provision for Annual Leave	-	-
Provision for Long Service Leave	606	45,125
	606	45,125

9. Contract Liabilities

	30 June 2022	30 June 2021
	\$	\$
Income in Advance On Government Grants	263,141	1,475,911
	263,141	1,475,911

Notes to the Financial Statements (continued)

10. Reconciliation of cash flows from operating activities	30 June 2022	30 June 2021
	\$	\$
Profit/(loss) for the period	128,986	36,350
Non-cash flows from ordinary activities		
Depreciation	20,677	28,274
Lease Interest expense	395	669
	<u>21,071</u>	
(Increase)/Decrease in Trade Receivables	-	-
(Increase)/Decrease in Prepayments	2,397	49,073
Increase/(Decrease) in Trade Payables	(203,020)	146,183
Increase/(Decrease) in Accruals & Deferred Income	(1,212,770)	1,226,845
Increase/(Decrease) in Provisions	(65,731)	16,353
Net Cash generated from operating activities	<u>(1,329,067)</u>	<u>1,506,538</u>

11. Commitments and Contingencies

There are no commitments or contingencies that would have an impact on the financial statements other than those disclosed in this financial report.

12. Events after balance sheet date

There have been no matters or circumstances that have arisen since 30 June 2022 that have or may significantly affect the operations, results or state of affairs of the Association.

Statement by Members of the Board

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

The Board declares that:

1. The financial statements and notes present fairly the Association’s financial position as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the Committee’s opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the committee and signed for on behalf of the committee by:



Sep 19, 2022

.....
Date



C. J. Child (Sep 19, 2022 12:50 GMT+8)

Sep 19, 2022

.....
Date


CLWA 30 June 2022 Audited Financial Statements

Final Audit Report


2022-09-19

Created:	2022-09-15
By:	Sonia Abbott (administrator@communitylegalwa.org.au)
Status:	Signed
Transaction ID:	CBJCHBCAABAAoX7zorhHj_3KPFTvN9Fv6st7hY59awqj

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 Signer carol.child@circlegreen.org.au entered name at signing as C. J. Child

2022-09-19 - 4:50:41 AM GMT

 Document e-signed by C. J. Child (carol.child@circlegreen.org.au)

Signature Date: 2022-09-19 - 4:50:43 AM GMT - Time Source: server

 Agreement completed.

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