

JusticeNet SA Incorporated
Financial Report for the Year Ended 30 June 2020

BOARD OF MANAGEMENT'S REPORT

Your Board of Management submit the financial report of for the financial year ended 30 June 2020.

Board Members

The names of board members throughout the year and at the date of this report are:

Kerry Clark	President
Nick Anderson	Treasurer
Carolyn Mitchell	Secretary
Tania Sulan (commenced 1/10/2019)	(Deputy Chair)
Alice Graham	
Julia Dreosti	
Anna Wells	
Sarah Dunn (resigned 6/08/2019)	
Catherine McMorrine (resigned 13/05/2020)	
Natalia Kasprzyk (commenced 16/06/2020)	

Members of the Board have been in office since the start of the year unless otherwise stated. No other officer of the Association has received directly or indirectly from the association any payment or other benefit of a pecuniary value. At no time during the year ended 30 June 2020 has any officer or related firm or body corporate, received or become entitled to receive a benefit arising from a contract between the officer, firm or body corporate and the association. No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

Principal Activities

JusticeNet SA operates free legal services for people with civil law matters who cannot afford legal representation, including: Pro Bono Connect (a referral service), the Self-Representation Service (a legal assistance service for self-represented litigants in the Federal and Federal Circuit Courts, and Homeless Legal, an outreach legal service for those experiencing homelessness.

Significant Changes

The State Courts Self-Representation Service (District and Supreme Courts) ceased operation in August 2019. Homeless Legal commenced in January 2020.

Operating Result

The surplus for the year ended 30 June 2020 amounted to \$171,688 (2019 surplus: \$11,156)

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



Dated this ^{4th} day of November 2020

JusticeNet SA Inc
Financial report for the year ended 30 June 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue	2	608,394	613,786
Salaries, wages & employee costs		(393,809)	(543,179)
Fundraising expenses		(5,013)	(14,847)
Other operating expenses	2	(37,884)	(44,604)
Current year surplus before income tax		171,688	11,156
Income tax expense	1(a)	-	-
Net current year surplus		171,688	11,156
Other comprehensive income		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		-	-
Net current year surplus attributable to members of the entity		171,688	11,156
Total comprehensive income attributable to members of the entity		171,688	11,156

The accompanying notes form part of these financial statements.

JusticeNet SA Inc
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	270,763	160,468
Trade and Other Receivables		50,675	-
TOTAL CURRENT ASSETS		<u>321,438</u>	<u>160,468</u>
TOTAL ASSETS		<u>321,438</u>	<u>160,468</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables		7,106	1,247
Other Accruals		17,103	24,822
Contract Liabilities - Grants Received in Advance		8,637	16,134
Contract Liabilities - Fees Received in Advance		5,674	3,414
Employee Provisions		51,130	54,751
TOTAL CURRENT LIABILITIES		<u>89,650</u>	<u>100,368</u>
TOTAL LIABILITIES		<u>89,650</u>	<u>100,368</u>
NET ASSETS		<u>231,788</u>	<u>60,100</u>
EQUITY			
Retained earnings		231,788	60,100
TOTAL EQUITY		<u>231,788</u>	<u>60,100</u>

The accompanying notes form part of these financial statements.

JusticeNet SA Inc
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	48,944	48,944
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Comprehensive income		
Net surplus for the year	11,156	11,156
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of the entity	60,100	60,100
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Balance at 30 June 2019	60,100	60,100
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Balance at 1 July 2019	60,100	60,100
Comprehensive income		
Net surplus for the year	171,688	171,688
Other comprehensive income for the year		
Total comprehensive income attributable to members of the entity	231,788	231,788
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Balance at 30 June 2020	231,788	231,788
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The accompanying notes form part of these financial statements.

JusticeNet SA Inc
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grant Receipts		225,704	225,466
Government Subsidy Receipts		56,186	-
Other receipts		240,861	281,673
Payments to suppliers and employees		(442,187)	(636,327)
Net GST paid		29,731	(47,668)
Net cash provided by/(used in) operating activities	6	110,295	(176,856)
Net increase/(decrease) in cash held		110,295	(176,856)
Cash on hand at beginning of financial year		160,468	337,324
Cash on hand at end of financial year	3	270,763	160,468

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 1985 and the Australian Charities and Not-for-profits Commission Act 2012. The Board of Management has determined that the association is not a reporting entity and there are no users dependant on general purpose financial statements.

In order to satisfy Division 60 of the Australian Charities and Not-For-Profit Commission Act 2012 the financial report has been prepared in accordance with the following Australian Accounting Standards:

- 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
- AASB 1054, Australian Additional Disclosures

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

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The incorporated association has complied with all of the recognition and measurement requirements of the Australian Accounting Standards.

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

Impact of adoption

AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

Accounting Policies**a. Income Tax**

The association is exempt from income tax pursuant to section 50-40 of the Income Tax Assessment Act 1997.

b. Employee Provisions

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The entity provides for long service leave once an employee reaches seven years' service.

c. Intangible Assets**Software**

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of three years. It is assessed annually for impairment.

d. Cash and Cash Equivalents

Cash includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments.

JusticeNet SA Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. **Revenue Recognition**

The incorporated association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant revenue is recognised in profit or loss when the association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

f. **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 Taxation Office (ATO).

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 gross 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 included in receipts from customers or payments to suppliers.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g. **Comparative Figures**

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

Where the association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

h. **Accounts Payable and Other Payables**

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

i. **Contract Liabilities**

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

j. **Economic Dependency – Going Concern**

The financial report has been prepared on the going concern basis. However, attention should be drawn to the following matters:

- 1) The Association currently has funding secured with the Commonwealth Government until 30 June 2021. However, it is noted that the ability of the Association to continue as a going concern is dependent on securing future funding and achieving operating surpluses and positive operating cash flows.

No adjustments have been made to the amounts stated in this financial report.

JusticeNet SA Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: INCOME AND EXPENSES	2020	2019
	\$	\$
Income:		
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Grant Income	260,672	386,717
Membership	24,907	16,980
OTHER REVENUE		
Donations and Fundraising	184,940	178,309
Government Assistance Funding	102,232	-
Other income	35,643	31,780
Total income	608,394	613,786
Other operating expenses:		
Accounting Fees	9,490	-
Bank charges	-	167
Electricity and gas	1,472	3,419
Insurance	1,803	1,130
IT	6,101	4,772
NACLC Membership	5,450	7,220
Office Amenities	589	1,517
OHS	-	12
Postage	1,200	2,299
Recruitment	-	280
Stationery	2,090	4,081
Sundry expenses	5,526	13,009
Telephone	2,451	2,275
Training	427	3,011
Travel	1,285	1,412
Total Operating Expenses	37,884	44,604

JusticeNet SA Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3: CASH AND CASH EQUIVALENTS	2020	2019
	\$	\$
Operating cash account	208,309	98,007
ANZ Online Savings Account	62,384	62,323
Petty cash	70	138
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	270,763	160,468

NOTE 4: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Association has no contingent liabilities at 30 June 2020.

NOTE 5: EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Association up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Federal and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

JusticeNet SA Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6: CASH FLOW INFORMATION	2020	2019
	\$	\$
Reconciliation of cash flow from operating activities with net current year surplus		
Current year surplus after income tax	171,688	11,156
Changes in assets and liabilities:		
– (Increase) / decrease in Trade and other receivables	(50,676)	54,604
– Increase/(decrease) in Trade and other payables	5,860	(6,727)
– Increase/ decrease in Other accruals	(7,719)	(18,645)
– Increase/(decrease) in Grants in Advance	(5,237)	(217,574)
– Increase/(decrease) in Employee Benefits	(3,621)	330
Net cash provided by/(used in) by operating activities	<u>110,295</u>	<u>(176,856)</u>

NOTE 7: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:

The Law School

Ligertwood Building

The University of Adelaide SA 5005

STATEMENT BY MEMBERS OF THE BOARD OF MANAGEMENT

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

In the opinion of the Board of Management the financial report as set out on pages 2 to 11:

1. There are reasonable grounds to believe the registered entity is able to pay all its debts, as and when they become due and payable.
2. The attached financial statements and notes thereto satisfy the requirements of Division 60 of the Australia Charities and Not-for-profits Commission Act 2012; including giving a true and fair view of the financial position and performance of the registered entity in accordance with Australian Accounting Standards to the extent described in Note 1.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board by:

Chairperson.....

Treasurer

Dated this 4th day of November 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JUSTICENET SA INCORPORATED*****Opinion***

We have audited the financial report, being a special purpose financial report, of JusticeNet SA Incorporated ('the Association'), which comprises the statement of financial position as at 30 June 2020, 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, notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board of management.

In our opinion, the accompanying financial report of the Association, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*; including:

- (i) giving a true and fair view of JusticeNet SA Incorporated's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional & 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to for the purpose of fulfilling the board of management's financial reporting requirement under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The board of management is responsible for the other information. The other information comprises the information in the Association's board of management report for the year ended 30 June 2020 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUSTICENET SA INCORPORATED (CONT)

Other information (Cont.)

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 the other information we are required to report that fact. We have nothing to report in this regard.

Board of Management's responsibility for the financial report

The board of management of JusticeNet SA Incorporated are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The board of management are responsible for such internal control as it determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board of management are responsible for assessing the Association'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 the board of management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JUSTICENET SA INCORPORATED (CONT)**

Auditor's responsibility for the audit of the financial report (Cont)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the board of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of management 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.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants



Damien Pozza
Partner

Adelaide
South Australia

4 November 2020