
Social Security Rights Victoria Inc

Reg No. A0015471X

**Financial Statements
For the Year Ended 30 June 2019**

Social Security Rights Victoria Inc

Reg No. A0015471X

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For the Year Ended 30 June 2019

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Social Security Rights Victoria Inc

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Statement by the Members of the Board of Management

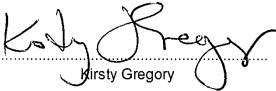
The Board of Management has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the Board of Management the financial report as set out on pages 1 to 15:

1. Presents fairly the financial position of Social Security Rights Victoria Inc as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Social Security Rights Victoria Inc will be able to pay its debts as and when they fall due.

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

President

Tom Cobban

Treasurer

Kirsty Gregory

Dated this^{16th}..... day of^{October}..... 2019

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019**

	2019	2018
	\$	\$
Income		
Grant - Attorney General - Commonwealth	270,116	247,463
Grant - Attorney General - State	45,840	49,599
Project income	239,052	82,175
Interest received	2,145	1,354
	<u>557,153</u>	<u>380,591</u>
Expenditure		
Salaries	(381,660)	(265,246)
Superannuation contributions	(35,449)	(23,904)
Workcover	(2,526)	(1,134)
Annual leave expense	(12,260)	371
Long service leave	(9,601)	(8,226)
Staff related expenses	(8,450)	(9,688)
Premises	(30,815)	(29,152)
Office overheads	(12,689)	(10,362)
Communications	(8,594)	(7,345)
Finance & accounting	(25,182)	(17,245)
Insurance	(1,264)	(1,225)
Library & resources	(4,003)	(3,996)
Travel	(1,486)	(2,420)
Programme & planning	(4,991)	(1,753)
Depreciation	(5,880)	(2,577)
	<u>(544,850)</u>	<u>(383,902)</u>
Surplus/(Deficit) for the year	<u>12,303</u>	<u>(3,311)</u>
Total comprehensive surplus/(deficit) for the year	<u>12,303</u>	<u>(3,311)</u>

The accompanying notes form part of these financial statements.

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Social Security Rights Victoria Inc

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Statement of Financial Position

As At 30 June 2019

		2019	2018
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	364,361	248,881
Trade and other receivables	6	100	6,600
Prepayments		3,616	3,196
TOTAL CURRENT ASSETS		368,077	258,677
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,366	16,246
TOTAL NON-CURRENT ASSETS		10,366	16,246
TOTAL ASSETS		378,443	274,923
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	240,321	170,965
Employee benefits	9	81,750	59,889
TOTAL CURRENT LIABILITIES		322,071	230,854
TOTAL LIABILITIES		322,071	230,854
NET ASSETS		56,372	44,069
MEMBERS' FUNDS			
Retained surplus		56,372	44,069
TOTAL MEMBERS' FUNDS		56,372	44,069

The accompanying notes form part of these financial statements.

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Statement of Changes in Members' Funds
For the Year Ended 30 June 2019

2019

	Retained Surpluses	Total
	\$	\$
Balance at 1 July 2018	44,069	44,069
Surplus for the year	12,303	12,303
Balance at 30 June 2019	<u>56,372</u>	<u>56,372</u>

2018

Balance at 1 July 2017	47,380	47,380
(Deficit) for the year	(3,311)	(3,311)
Balance at 30 June 2018	<u>44,069</u>	<u>44,069</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and funders	561,508	389,137
Payments to suppliers and employees	(448,173)	(321,240)
Interest received	2,145	1,354
Net cash provided by operating activities	5 115,480	69,251
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(14,914)
Net cash (used in) investing activities	-	(14,914)
Net increase in cash and cash equivalents held	115,480	54,337
Cash and cash equivalents at beginning of year	248,881	194,544
Cash and cash equivalents at end of financial year	4 364,361	248,881

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2019

The financial statements cover Social Security Rights Victoria Inc as an individual entity. Social Security Rights Victoria Inc is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*.

The functional and presentation currency of Social Security Rights Victoria Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Board of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Associations Incorporation Reform Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, 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*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

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

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income (continued)

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

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and equipment are measured using the cost model.

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

(f) Financial instruments

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;

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Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

Financial assets (continued)

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Association's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Association does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Association's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Impairment of Financial Assets (continued)

For current year

The Company has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 January 2018.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The key changes to the Company's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Financial Assets

The financial assets of the Company have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has not resulted in the earlier recognition of credit loss (bad debt provisions).

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies (continued)

(i) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Association where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers	30 June 2020	<p>AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.</p> <p>Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.</p> <p>AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple element arrangements.</p>	<p>The impact on the reported financial position and performance has not yet been determined.</p>

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Notes to the Financial Statements For the Year Ended 30 June 2019

2 Summary of Significant Accounting Policies (continued)

(j) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	30 June 2020	<p>AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet.</p> <p>The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments.</p> <p>A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.</p>	<p>The impact on the reported financial position and performance has not yet been determined.</p>

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Notes to the Financial Statements For the Year Ended 30 June 2019

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	3,064	2,518
Short-term deposits	361,046	243,131
DGR Trust Account	251	3,232
	<u>364,361</u>	<u>248,881</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	<u>364,361</u>	<u>248,881</u>
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5 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of surplus/(deficit) to net cash provided by operating activities:		
Surplus / (Deficit) for the year	12,303	(3,311)
Non-cash flows in surplus / (deficit):		
- depreciation	5,880	2,577
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	6,500	9,900
- (increase) / decrease in prepayments	(419)	(2,371)
- increase / (decrease) in trade and other payables	69,354	54,601
- increase / (decrease) in employee benefits	21,862	7,855
Cashflow from operating activities	<u>115,480</u>	<u>69,251</u>

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Notes to the Financial Statements For the Year Ended 30 June 2019

6 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	-	6,600
Sundry receivables	100	-
	<u>100</u>	<u>6,600</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Property, plant and equipment

PLANT AND EQUIPMENT

Furniture, fixtures and fittings

At cost	21,091	21,091
Accumulated depreciation	(21,091)	(21,091)
Total furniture, fixtures and fittings	<u>-</u>	<u>-</u>

Office equipment

At cost	17,113	17,113
Accumulated depreciation	(8,394)	(5,548)
Total office equipment	<u>8,719</u>	<u>11,565</u>

Computer equipment

At cost	10,544	10,544
Accumulated depreciation	(8,897)	(5,863)
Total computer equipment	<u>1,647</u>	<u>4,681</u>

Total plant and equipment	<u>10,366</u>	<u>16,246</u>
Total property, plant and equipment	<u>10,366</u>	<u>16,246</u>

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Notes to the Financial Statements For the Year Ended 30 June 2019

8 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities		
Grant funding unspent (Victorian Legal Services Board)	-	41,098
Grant funding unspent for specific projects (non VLA)	126,701	927
Grant funding unspent (DJR Worker Helpline/Family Violence Project)	51,583	33,587
VLA Allowable Surplus	24,777	28,354
Grant funding unspent (CLSP)	-	19,597
Other payables	37,260	47,402
	<u>240,321</u>	<u>170,965</u>

9 Employee Benefits

Current liabilities		
Long service leave	51,731	42,130
Annual leave	30,019	17,759
	<u>81,750</u>	<u>59,889</u>

10 Contingencies

In the opinion of the Board of Management, the Association did not have any contingencies at 30 June 2019 (30 June 2018: None).

11 Events after the end of the Reporting Period

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

12 Economic Dependency

The Association is primarily funded by the Federal and State Attorney Generals Departments Community Legal Service Program - 57% of this year and 78% last year. This year, they have received additional grants from other donors which has placed less dependency on the program. However, without the continued support of the Departments, the Association would not be able to provide its valuable services to the community.

The Association has a funding agreement in place with the Departments until 30 June 2020 and there are no indications that these arrangements will be discontinued thereafter.

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Notes to the Financial Statements For the Year Ended 30 June 2019

13 Statutory Information

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

Social Security Rights Victoria Inc

4th Floor, Fitzroy Town Hall

126 Moor Street

FITZROY VIC 3065

Independent Auditor's Report To the Members of Social Security Rights Victoria Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Social Security Rights Victoria Inc. (the association), which comprises the statement of financial position as at 30 June 2019, the statement of 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 declaration by those charged with governance.

In our opinion, the accompanying financial report of Social Security Rights Victoria Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the association's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (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 auditor independence requirements and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board of Trustees' financial reporting responsibilities 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.

Responsibilities of Management and Those Charged with Governance for the financial report

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

In preparing the financial report, management is responsible for assessing the 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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report To the Members of Social Security Rights Victoria Inc.

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.
- 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 committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Nexia

**Nexia Melbourne Audit Pty Ltd
Melbourne**

A. Wehrens

**Andrew S. Wehrens
Director**

Dated: this 16th day of October 2019