



SOUTH WEST COMMUNITY LEGAL CENTRE INC.
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Index

BALANCE SHEET

COMBINED STATEMENT OF PROFIT & LOSS

STATEMENT OF PROFIT & LOSS - CPCPG

STATEMENT OF PROFIT & LOSS – DVL

STATEMENT OF PROFIT & LOSS - FASS

STATEMENT OF PROFIT & LOSS - GL

STATEMENT OF PROFIT & LOSS – LOTTERY WEST

STATEMENT OF PROFIT & LOSS – MEDIATION

STATEMENT OF PROFIT & LOSS – PPT MEDIATION

STATEMENT OF PROFIT & LOSS – PPT OUTREACH

STATEMENT OF PROFIT & LOSS – SSMART

STATEMENT OF PROFIT & LOSS – WPAC

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT BY MEMBERS OF THE MANAGEMENT COMMITTEE

AUDITORS INDEPENDENCE DECLARATION TO MANAGEMENT COMMITTEE

INDEPENDENT AUDITOR’S REPORT

SOUTH WEST COMMUNITY LEGAL CENTRE INC.
BALANCE SHEET
AS AT 30 JUNE 2018

	2018	2017
	\$	\$
MEMBERS FUNDS		
Opening Balance	92,529	68,465
Surplus for the Year	-	24,064
Closing Balance	<u>92,529</u>	<u>92,529</u>
Represented By:		
CURRENT ASSETS		
General Cheque Account	6,719	37,408
Cash Reserve	103,153	174,013
Debit Mastercard	2,462	433
Term Deposit	100,000	-
Petty Cash	80	168
Security Bond	2,917	-
Sundry Debtors	2,358	414
Prepayment	14,383	13,339
Accrued Income	21,011	14,241
	<u>253,083</u>	<u>240,016</u>
NON CURRENT ASSETS		
Office Furniture & Equipment	33,699	33,699
Less: Accumulated Depreciation	(33,699)	(33,541)
Computer Equipment	48,314	42,059
Less: Accumulated Depreciation	(41,593)	(35,156)
Demonstration Equipment	6,794	6,794
Less: Accumulated Depreciation	(6,794)	(6,794)
Motor Vehicle	24,342	24,342
Less: Accumulated Depreciation	(6,492)	(1,622)
	<u>24,571</u>	<u>29,781</u>
TOTAL ASSETS	<u>277,654</u>	<u>269,797</u>
CURRENT LIABILITIES		
Creditors and Accrued Expenses	31,192	23,111
Unexpended Grants	74,153	80,788
GST Payable/ (Receivable)	(618)	6,262
PAYG Liability	7,970	6,076
Parental Leave Funds	1,419	-
Provision for Annual Leave	20,818	16,863
Provision for Long Service Leave	-	13,267
	<u>134,934</u>	<u>146,367</u>
NON CURRENT LIABILITIES		
Provision for Long Service Leave	50,191	30,901
	<u>50,191</u>	<u>30,901</u>
TOTAL LIABILITIES	<u>185,125</u>	<u>177,268</u>
NET ASSETS	<u>92,529</u>	<u>92,529</u>

The accompanying notes form part of these financial statements.

SOUTH WEST COMMUNITY LEGAL CENTRE INC
COMBINED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
INCOME		
Funding Received	760,267	767,753
Funding Carried Forward	(74,153)	(80,788)
Funding Brought Forward	80,788	-
Funding Accrued	-	14,241
Interest Received	1,424	1,269
Donations - Legal, Bunbury	612	1,498
Donations - Legal, B'town/Manj	220	157
Donations - Legal, Bussn/MR	377	792
Donations - Legal, Harvey/Coll	10	148
Donations - Legal, Narrogin	-	10
Donations - Other	2,000	-
Sundry Income and client contribution	2,750	7,161
Total Income	774,295	712,241
EXPENDITURE		
Rent and Room Hire	44,867	36,276
Premises Repairs & Maintenance	46	376
Premises Security	3,375	802
Staff Training & Recruitment	15,107	7,109
Telecommunications	13,196	11,858
Office Overheads	35,203	20,280
Insurance	6,761	5,559
Accounting, Bank & FBT Fees	12,300	8,847
Library & Resources	15,453	14,343
Travel & Accommodation - Conf/Training	7,217	2,206
Program, Planning & Promotion	4,303	2,561
Client Disbursements	485	-
Asset Expenses, including running costs	4,372	955
Depreciation	11,464	10,286
Other - Outreach Travel	4,277	22,258
Wages	520,030	496,488
Leave Provision Movement	9,979	11,621
Lotterywest Grant - Strategic Review	10,734	14,241
Traineeship	9,315	-
Superannuation	45,811	46,175
Total Expenses	774,295	712,241
Net Surplus	-	-

The accompanying notes form part of these financial statements.

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018
	\$
<hr/>	
Criminal Prop Conf Grant Prog	
CPCPG	
Income	
Funding - General	18,457
Funding Brought Forward	9,457
Total Income	<u>27,914</u>
Expenditure	
Wages	25,262
Superannuation	2,652
Total Expenses	<u>27,914</u>
Net Surplus	<u><u>-</u></u>

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018 \$
Comm Dom Violence Funding	
DVL	
Income	
Funding - General	124,000
Funding Brought Forward	12,675
Carried Over Funding 2018/19	(24,439)
Bank Interest	254
Sundry Income	746
Total Income	113,236
Expenditure	
Rent and Room Hire	6,154
Premises Repairs & Maintenance	60
Premises Security	366
Staff Training & Recruitment	1,076
Telecommunications	2,015
Office Overheads	5,014
Insurance	394
Accounting, Bank & FBT Fees	1,809
Library & Resources	2,377
Travel & Accommodation - Conf/Training	968
Client Disbursements	30
Asset Expenses	88
Depreciation	1,630
Wages	76,675
Superannuation	8,123
Traineeship	2,121
Leave Provision Movement	4,336
Total Expenses	113,236
Net Surplus	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018
	\$
FASS	
Income	
Funding - General	21,011
Total Income	<u>21,011</u>
Expenditure	
Telecommunications	500
Office Overheads	1,700
Insurance	650
Accounting, Bank & FBT Fees	250
Wages	17,911
Total Expenses	<u>21,011</u>
Net Surplus	<u><u>-</u></u>

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018 \$
General Legal	
GL	
Income	
Funding - General	236,032
Funding Brought Forward	43,250
Carried Over Funding 2018/19	(48,215)
Bank Interest	540
Donations - Legal, Bunbury	612
Donations - Legal, Bussn/MR	160
Donations - Legal, B'town Manj	120
Sundry Income	602
Total Income	233,101
Expenditure	
Rent and Room Hire	17,767
Premises Repairs & Maintenance	115
Premises Security	655
Staff Training & Recruitment	4,511
Telecommunications	5,079
Office Overheads	14,658
Insurance	2,029
Accounting, Bank & FBT Fees	3,824
Library & Resources	7,842
Travel & Accommodation - Conf/Training	4,922
Program, Planning & Promotion	3,212
Client Disbursements	455
Asset Expenses	762
Depreciation	2,455
Wages	140,417
Leave Provision Movement	7,655
Traineeship	4,056
Superannuation	12,687
Total Expenses	233,101
Net Surplus	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018
	\$
<hr/>	
Lotterywest Grant 2017	
LW17	
Income	
Funding - General	10,734
Total Income	<u>10,734</u>
Expenditure	
Lotterywest Grant 2017	10,734
Total Expenses	<u>10,734</u>
Net Surplus	<u><u>-</u></u>

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018 \$
Mediation	
MED	
Income	
Funding - General	60,942
Funding Brought Forward	6,418
Bank Interest	90
Sundry Income and Refunds	404
Client Contributions	250
Total Income	68,104
Expenditure	
Rent and Room Hire	1,972
Premises Repairs & Maintenance	19
Premises Security	79
Staff Training & Recruitment	557
Telecommunications	696
Office Overheads	1,494
Insurance	436
Accounting, Bank & FBT Fees	1,035
Library & Resources	549
Program, Planning & Promotion	72
Asset Expenses	10
Depreciation	441
Wages	62,413
Superannuation	3,029
Leave Provision Movement	(4,698)
Total Expenses	68,104
Net Surplus	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018 \$
Mediation	
PPT MED	
Income	
Funding - General	100,000
Funding Brought Forward	2,009
Sundry Income and Refunds	54
Bank Interest	160
Client Contributions	530
Total Income	102,753
Expenditure	
Rent and Room Hire	3,450
Premises Repairs & Maintenance	34
Premises Security	138
Staff Training & Recruitment	152
Telecommunications	1,219
Office Overheads	2,422
Insurance	765
Accounting, Bank & FBT Fees	1,994
Library & Resources	1,095
Program, Planning & Promotion	127
Asset Expenses	18
Depreciation	771
Travel - PPT MED Outreach	1,630
Wages	85,434
Superannuation	7,072
Leave Provision Movement	(3,568)
Total Expenses	102,753
Net Surplus	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018 \$
Outreach	
PPT OUT	
Income	
Funding - General	180,000
Funding Brought Forward	6,980
Bank Interest	379
Donations - Legal, Bussn/MR	217
Donations - Legal, B'town/Manji	100
Donations - Legal, Harvey/Coll	10
Client Contributions	190
Sundry Income	70
Total Income	187,946
Expenditure	
Rent and Room Hire	15,524
Premises Repairs & Maintenance	89
Premises Security	1,725
Staff Training & Recruitment	1,412
Telecommunications	3,686
Office Overheads	9,914
Insurance	2,486
Accounting, Bank & FBT Fees	3,388
Library & Resources	3,590
Travel & Accommodation - Conf/Training	1,755
Program, Planning & Promotion	986
Asset Expenses	3,493
Depreciation	6,167
Travel - Legal - PPT OUT	1,927
Travel - Legal - PPT MED	240
Wages	109,919
Superannuation	12,247
Traineeship	3,139
Leave Provision Movement	6,259
Total Expenses	187,946
Net Surplus	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018
	\$
<hr/>	
Streetsmart 2017	
SSMART	
Income	
Donations	2,000
Total Income	<u>2,000</u>
Expenditure	
Wages	2,000
Total Expenses	<u>2,000</u>
Net Surplus	<u><u>-</u></u>

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2018

Account Name	2018 \$
Westpac Training	
WPAC	
Income	
Funding - General	9,091
Funding Brought Forward	(1,499)
Total Income	7,592
Expenditure	
Staff Training & Recruitment	7,541
Travel & Accommodation - Conf/Training	51
Total Expenses	7,592
Net Surplus	-

**SOUTH WEST COMMUNITY LEGAL CENTRE INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	NOTE	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from funding bodies		748,124	715,099
Receipts from customers		5,570	9,766
Payments to suppliers and employees		(748,471)	(602,830)
Interest Received		1,424	1,269
Net cash provided by operating activities	2(b)	<u>6,647</u>	<u>123,304</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant & equipment		(6,255)	(24,343)
Net cash used in investing activities		<u>(6,255)</u>	<u>(24,343)</u>
Net increase in cash held		392	98,961
Cash at the beginning of the financial year		<u>212,022</u>	<u>113,061</u>
Cash at the end of the financial year	2(a)	<u>212,414</u>	<u>212,022</u>

**SOUTH WEST COMMUNITY LEGAL CENTRE INC.
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2018**

	2018	2017
	\$	\$
Accumalated Surplus At Beginning Of Year	92,529	68,465
Current Year Surplus	-	24,064
Accumalated Surplus At End Of Year	<u>92,529</u>	<u>92,529</u>

The accompanying notes form part of these financial statements.

SOUTH WEST COMMUNITY LEGAL CENTRE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Constitution, the Australian Charities and Not-for-profits Commission Act 2012 and the Association Incorporations Act 2015. The Management Committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

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

(a) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date.

Revenue from grant funding, provided under contractual arrangements is taken up on a proportionate basis net of GST, over the period to which the funding relates.

Grant funds received in advance at balance date are recognised as a liability within the balance sheet and carried forward to the next accounting period – refer Note 4 for further details.

(b) Taxation

The Australian Taxation office has endorsed South West Community Legal Centre Inc. as a Public Benevolent Institution and it is eligible for the following concessions:

- i) GST concession;
- ii) FBT rebate; and
- iii) Income taxation exemption.

No change in its tax status as a result of activities undertaken during the year is likely.

(c) Non Current Assets

Assets are recorded at cost within the asset register and depreciated over their useful lives.

SOUTH WEST COMMUNITY LEGAL CENTRE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(d) Employee Entitlements

Provision is made for annual leave at nominal rates, excluding leave loading and on-costs, estimated to be payable to employees on the basis of statutory and contractual requirements. Leave loading and on-costs have been provided for in the budget and it is the Management Committee's assessment that these costs do not represent the actual cost to the organisation.

Long service leave entitlement is thirteen weeks after seven years of service. The provision for long service leave is recorded at nominal rates, exclusive of on-costs. Long service leave is classified as current for employees with greater than seven years service, and non-current for employees with less than seven years service.

(e) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of an item of the expense.

Receivables and payables in the Balance Sheet are shown inclusive of GST.

(f) Grant Acquitted

For the purpose of acquitting grants provided by funding bodies, South West Community Legal Centre Inc. has adopted the following policies:

Grant income is acquitted after allowing for the following costs:

- Cost including labour and on costs directly associated with a specific grant;
- Administration and other related overhead costs (after excluding costs which are abnormal both in nature and value and therefore not representative of an appropriate level of costs that would be expected to be incurred) not related to a specific grant are allocated over the relevant grants, based on a proportion of the level of each grant and related income compared to total income.

Such allocations are reduced to take into consideration the lower level administrative burden a grant is likely to produce, such as in the case of capital grants.

Representations of management and internal documentation are used in determining to which grants a cost may be directly or indirectly attributed.

SOUTH WEST COMMUNITY LEGAL CENTRE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

- (g) Comparative Figures
Where required, comparative figures are adjusted to conform to changes in presentation for the current financial year

NOTE 2 RECONCILIATION OF CASH

(a) Cash on Hand	2018	2017
	\$	\$
Cheque Account	6,719	37,408
Cash Reserve	103,153	174,013
Debit Master Card	2,462	433
Term Deposit	100,000	-
Petty Cash	80	168
	<u>212,414</u>	<u>212,022</u>

(b) Reconciliation of Net Cash to Surplus :	2018	2017
	\$	\$
Surplus from ordinary activities	-	24,064
Non-cash flows in surplus from ordinary activities:		
Depreciation	11,464	10,286
Changes in assets and liabilities:		
(Increase) / Decrease in receivables	(12,674)	(10,171)
Increase / (Decrease) in creditors and accruals	4,515	6,713
Increase / (Decrease) in unexpended grants	(6,635)	80,788
Increase / (Decrease) in provisions	9,977	11,624
Net cash provided by operating activities	<u>6,647</u>	<u>123,304</u>

NOTE 3 LEASING COMMITMENTS

14 Plaza Street, South Bunbury WA 6230

South West Community Legal Centre Inc. entered into a lease agreement commencing 5 June 2018 for 14 Plaza Street, South Bunbury 6230.

The term of the lease is for 24 months ending 5 June 2020, with the lease agreement being reviewed on 5 June 2019. Monthly lease payments are currently \$2,916.67 excluding GST.

SOUTH WEST COMMUNITY LEGAL CENTRE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

NOTE 4 UNEXPENDED GRANTS

Where grants are carried forward at 30 June to a subsequent financial year, a corresponding liability is recognised in the balance sheet, in relation to Unexpended Grants.

As at 30 June 2018, \$74,153 of funding was unspent and required to be carried over to the following year.

Accordingly, a corresponding "Unexpended Grants" liability of \$74,153 has been brought to account as at 30 June 2018, recognising that these funds are to be carried forward to the subsequent financial year, and expended in accordance with grant funding requirements. Unexpended grants held as at 30 June 2018 carried forward to the 2018/2019 year are as follows:

	\$
1. DVL	24,439
2. GL	48,215
3. WPAC	1,499
TOTAL	<u>74,153</u>

NOTE 5 ECONOMIC DEPENDENCIES

The ongoing operation of the South West Community Legal Centre Inc. is dependent upon the continued financial support by way of grants and contributions from Legal Aid, the Law Society Public Purposes Trust and other funding bodies.

NOTE 6. CAPITAL COMMITMENTS

During the year ended at 30 June 2018, South West Community Legal Centre Inc. entered into agreements to purchase IT equipment and signage which had not yet been received totalling \$20,753 (GST exclusive).

**SOUTH WEST COMMUNITY LEGAL CENTRE INC.
STATEMENT BY MEMBERS OF THE MANAGEMENT COMMITTEE**


The Management Committee have determined that the association is not a reporting entity.

The Management Committee have determined that this special purpose financial report should be prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Association Incorporations Act (WA) 2015* and the accruals basis of accounting as outlined in Note 1 to the financial statements.


In the opinion of the Management Committee:

1. The financial statements and notes of South West Community Legal Centre Inc. are in accordance with the *Associations Incorporation Act (WA) 2015* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - a) Giving a true and fair view of its financial position at 30 June 2018 and of its performance and cash flows for the year ended on that date;
 - b) Complying with the accounting policies described in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
2. There are reasonable grounds to believe that South West Community Legal Centre Inc. will be able to pay its debts as and when they fall due and payable.

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



Committee member
MICHELLE



Committee member
CAROL

Dated this 30th day of September 2018

**AUDITOR'S INDEPENDENCE DECLARATION TO THE MANAGEMENT COMMITTEE OF
SOUTH WEST COMMUNITY LEGAL CENTRE INC.**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2018, there have been no contraventions of:

- i) The auditor independence requirements as set out in Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* and section 80 of the *Associations Incorporation Act (WA) 2015* in relation to the audit; and
- ii) Any applicable code of professional conduct in relation to the audit.

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'M Cavallo', with a horizontal line extending from the end of the signature.

MARIA CAVALLO CA
Director

Bunbury, WA

Dated this 7th day of September 2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTH WEST COMMUNITY LEGAL CENTRE INC.**

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of South West Community Legal Centre Inc. (the association) which comprises the balance sheet as at 30 June 2018, the statement of profit & loss, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies, and the declaration by the Management Committee.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report has been prepared in accordance with the Associations Incorporation Act (WA) 2015 and Division 60 of the *Australian Charities and Not-for-profits Commissions Act 2012*, including:

- i) giving a true and fair view, in all material aspects, of the financial position of South West Community Legal Centre Inc. as at 30 June 2018, and of its financial performance and its cash flows for the year then ended; and
- ii) complying with Australian Accounting Standards to the extent described in Note 1 Associations Incorporation Act (WA) 2015 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for South West Community Legal Centre Inc. to maintain an effective system of internal control over administrative fees, donations, fund raising activities and other income until their initial entry in the accounting records. Accordingly, our audit in relation to income was limited to amounts recorded in the financial records.

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 South West Community Legal Centre Inc. in accordance with the *Associations Incorporation Act (WA) 2015*, the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to 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 qualified 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 assist South West Community Legal Centre Inc. to meet the requirements of the *Associations Incorporation Act (WA) 2015*, and the *Australian Charities and Not-for-profits Commissions 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.

Emphasis of Matter- Economic Dependency

We draw attention to Note 5 to the financial statements which outlines the ongoing operation of South West Community Legal Centre Inc. is dependent upon the continued receipt of funding and contributions. Our opinion is not modified in respect of this matter.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in South West Community Legal Centre Inc. annual report for the year ended 30 June 2018, 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 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 *Associations Incorporation Act (WA) 2015*, the *Australian Charities and Not-for-profits Commissions Act 2012* and for such internal control as management determines is necessary to enable the preparation 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 South West Community Legal Centre Inc.'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 intend to liquidate the South West Community Legal Centre Inc. or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing South West Community Legal Centre Inc.'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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the 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 entity'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 registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

AMD Chartered Accountants



MARIA CAVALLO
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 7th day of September 2018