



SOUTH WEST COMMUNITY LEGAL CENTRE INC.
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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SOUTH WEST COMMUNITY LEGAL CENTRE INC.
BALANCE SHEET
AS AT 30 JUNE 2017

	2017	2016
	\$	\$
MEMBERS FUNDS		
Opening Balance	68,465	69,005
Surplus/(Deficit) for the Year	24,064	(540)
Closing Balance	<u>92,529</u>	<u>68,465</u>
Represented By:		
CURRENT ASSETS		
General Cheque Account	37,408	11,049
Cash Reserve	174,013	100,878
Debit Mastercard	433	834
Petty Cash	168	300
Sundry Debtors	414	-
Prepayment	13,339	17,823
Accrued Income	14,241	-
	<u>240,016</u>	<u>130,884</u>
NON CURRENT ASSETS		
Office Furniture & Equipment	33,699	33,699
Less: Accumulated Depreciation	(33,541)	(33,317)
Computer Equipment	42,059	42,059
Less: Accumulated Depreciation	(35,156)	(27,015)
Demonstration Equipment	6,794	6,794
Less: Accumulated Depreciation	(6,794)	(6,496)
Motor Vehicle	24,342	-
Less: Accumulated Depreciation	(1,622)	-
	<u>29,781</u>	<u>15,724</u>
TOTAL ASSETS	<u>269,797</u>	<u>146,608</u>
CURRENT LIABILITIES		
Creditors and Accrued Expenses	23,111	12,477
Unexpended Grants	80,788	-
GST Payable	6,262	6,598
PAYG Liability	6,076	7,167
Provision for Annual Leave	16,863	22,267
Provision for Long Service Leave	13,267	-
	<u>146,367</u>	<u>48,509</u>
NON CURRENT LIABILITIES		
Creditors and Accrued Expenses	-	2,492
Provision for Long Service Leave	30,901	27,142
	<u>30,901</u>	<u>29,634</u>
TOTAL LIABILITIES	<u>177,268</u>	<u>78,143</u>
NET ASSETS	<u>92,529</u>	<u>68,465</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 2017

	2017 \$	2016 \$
INCOME		
Funding Received	767,753	789,775
Carried Over Funding 2017/18	(80,788)	-
Funding Accrued	14,241	-
Interest Received	1,269	2,573
Donations - Legal, Bunbury	1,498	2,236
Donations - Legal, B'town/Manj	157	548
Donations - Legal, Bussn/MR	792	1,114
Donations - Legal, Harvey/Coll	148	279
Donations - Legal, Narrogin	10	-
Sundry Income	7,161	8,841
Total Income	712,241	805,366
EXPENDITURE		
Rent and Room Hire	36,276	35,349
Premises Repairs & Maintenance	376	879
Premises Security	802	627
Staff Training & Recruitment	7,109	2,822
Telecommunications	11,858	14,561
Office Overheads	20,280	20,477
Insurance	5,559	5,318
Accounting, Bank & FBT Fees	8,847	8,989
Library & Resources	14,343	8,954
Travel & Accommodation - Conf/Training	2,206	5,152
Program, Planning & Promotion	2,561	18,040
Client Disbursements	-	682
Asset Expenses	955	497
Depreciation	10,286	7,720
Other - Outreach Travel	22,258	25,125
Wages	496,488	643,917
Leave Provision Movement	11,621	(47,870)
Lotterywest Grant - Strategic Review	14,241	-
Superannuation	46,175	54,668
Total Expenses	712,241	805,906
Net Operating Deficit	-	(540)
Add: Lotterywest Capital Funding	24,064	-
Net Surplus / (Deficit)	24,064	(540)

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 2017

Account Name	2017 \$
Criminal Prop Conf Grant Prog	
CPCPG	
Income	
Funding - General	73,827
Carried Over Funding 2017/18	(9,457)
Total Income	64,370
Expenditure	
Office Overheads	257
Travel - Legal - DVL	430
Wages	59,913
Superannuation	3,506
Leave Provision Movement	264
Total Expenses	64,370
Net Surplus/(Deficit)	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

Account Name	2017 \$
Child Support CS	
Income	
Funding - General	133,173
Carried Over Funding 2017/18	(21,606)
Bank Interest	313
Donations - Legal, Bunbury	1,308
Donations - Legal, B'town/Manj	157
Donations - Legal, Bussn/MR	552
Donations - Legal, Harvey/Coll	98
Donations - Legal, Narrogin	10
Sundry Income	774
Total Income	114,779
Expenditure	
Rent and Room Hire	7,972
Premises Repairs & Maintenance	98
Premises Security	169
Staff Training & Recruitment	1,143
Telecommunications	2,893
Office Overheads	4,310
Insurance	1,263
Accounting, Bank & FBT Fees	2,062
Library & Resources	3,843
Travel & Accommodation - Conf/Training	185
Program, Planning & Promotion	407
Asset Expenses	33
Depreciation	2,079
Wages	77,473
Superannuation	8,490
Leave Provision Movement	2,359
Total Expenses	114,779
Net Surplus/(Deficit)	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

Account Name	2017 \$
Comm Dom Violence Funding	
DVL	
Income	
Funding - General	90,000
Carried Over Funding 2017/18	(12,675)
Bank Interest	184
Donations - Legal, Bunbury	110
Sundry Income	505
Total Income	78,124
Expenditure	
Rent and Room Hire	4,064
Premises Repairs & Maintenance	49
Premises Security	104
Staff Training & Recruitment	722
Telecommunications	1,680
Office Overheads	2,984
Insurance	786
Accounting, Bank & FBT Fees	1,264
Library & Resources	2,165
Travel & Accommodation - Conf/Training	123
Program, Planning & Promotion	250
Asset Expenses	28
Depreciation	1,300
Wages	55,706
Superannuation	5,476
Leave Provision Movement	1,424
Total Expenses	78,124
Net Surplus/(Deficit)	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

Account Name	2017 \$
Partnership Trial	
FRC	
Income	
Funding - General	28,883
Carried Over Funding 2017/18	(4,804)
Bank Interest	54
Sundry Income	155
Total Income	24,287
Expenditure	
Rent and Room Hire	1,224
Premises Repairs & Maintenance	15
Premises Security	32
Staff Training & Recruitment	221
Telecommunications	522
Office Overheads	880
Insurance	261
Accounting, Bank & FBT Fees	404
Library & Resources	748
Travel & Accommodation - Conf/Training	43
Program, Planning & Promotion	63
Asset Expenses	11
Depreciation	434
Wages	17,229
Superannuation	1,681
Leave Provision Movement	519
Total Expenses	24,287
Net Surplus/(Deficit)	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

Account Name	2017 \$
General Legal	
GL	
Income	
Funding - General	100,929
Carried Over Funding 2017/18	(16,840)
Bank Interest	169
Donations - Legal, Bunbury	80
Donations - Legal, Bussn/MR	50
Donations - Legal, Harvey/Coll	40
Sundry Income	577
Total Income	85,005
Expenditure	
Rent and Room Hire	3,803
Premises Repairs & Maintenance	45
Premises Security	149
Staff Training & Recruitment	1,060
Telecommunications	1,343
Office Overheads	2,542
Insurance	588
Accounting, Bank & FBT Fees	1,164
Library & Resources	2,168
Travel & Accommodation - Conf/Training	337
Program, Planning & Promotion	294
Asset Expenses	26
Depreciation	953
Wages	62,501
Leave Provision Movement	391
Superannuation	7,641
Total Expenses	85,005
Net Surplus/(Deficit)	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

Account Name	2017 \$
Lotterywest Grant 2017	
LW17	
Income	
Funding - Accrued	14,241
Total Income	14,241
Expenditure	
Lotterywest Grant 2017	14,241
Total Expenses	14,241
Net Surplus/(Deficit)	-

Note: Lotterywest funding granted towards the cost of strategic planning and organisational review totalling \$24,975 as per the Funding Agreement. The strategic review was in progress as at 30 June 2017 incurring \$14,241 consultant expenditure. As a result, the corresponding accrued income has been recorded.

Lotterywest Capital Grant 2017

Capital Income	
Lotterywest Capital Funding	24,064
Total Income	24,064
Capital Expenditure	
Motor Vehicle Purchase	(24,064)
Total Expenses	(24,064)
Funding Unspent at 30 June 2017	-

Note: Motor vehicle purchase was capitalised in South West Community Legal Centre Inc. balance sheet as an asset. Capital funding received has been fully spent for the purpose outlined within the funding agreement.

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

Account Name	2017 \$
Mediation	
MED	
Income	
Funding - General	60,942
Carried Over Funding 2017/18	(6,418)
Bank Interest	73
Client Contributions	120
Total Income	54,718
Expenditure	
Rent and Room Hire	1,954
Premises Repairs & Maintenance	22
Premises Security	46
Staff Training & Recruitment	1,424
Telecommunications	718
Office Overheads	1,292
Insurance	270
Accounting, Bank & FBT Fees	486
Library & Resources	324
Travel & Accommodation - Conf/Training	1,227
Program, Planning & Promotion	252
Asset Expenses	12
Depreciation	434
Travel - Others	120
Wages	42,650
Superannuation	3,899
Leave Provision Movement	(412)
Total Expenses	54,718
Net Surplus/(Deficit)	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

Account Name	2017 \$
Mediation	
PPT MED	
Income	
Funding - General	100,000
Carried Over Funding 2017/18	(2,009)
Bank Interest	161
Client Contributions	3,950
Total Income	102,102
Expenditure	
Rent and Room Hire	5,262
Premises Repairs & Maintenance	64
Premises Security	107
Staff Training & Recruitment	1,118
Telecommunications	1,671
Office Overheads	2,990
Insurance	707
Accounting, Bank & FBT Fees	1,180
Library & Resources	868
Program, Planning & Promotion	539
Depreciation	1,125
Travel - PPT MED Outreach	2,251
Wages	73,407
Superannuation	6,624
Leave Provision Movement	4,188
Total Expenses	102,102
Net Surplus/(Deficit)	-

SOUTH WEST COMMUNITY LEGAL CENTRE INC
JOB PROFIT AND LOSS
FOR THE YEAR ENDED 30 JUNE 2017

Account Name	2017
	\$
Outreach	
PPT OUT	
Income	
Funding - General	180,000
Carried Over Funding 2017/18	(6,980)
Bank Interest	314
Donations - Legal, Bussn/MR	190
Donations - Legal, Harvey/Coll	10
Sundry Income	1,082
Total Income	<u>174,616</u>
Expenditure	
Rent and Room Hire	11,997
Premises Repairs & Maintenance	83
Premises Security	195
Staff Training & Recruitment	1,420
Telecommunications	3,031
Office Overheads	5,026
Insurance	1,684
Accounting, Bank & FBT Fees	2,288
Library & Resources	4,226
Travel & Accommodation - Conf/Training	291
Program, Planning & Promotion	756
Asset Expenses	847
Depreciation	3,962
Travel - Legal - PPT OUT	19,457
Wages	107,609
Superannuation	8,859
Leave Provision Movement	2,885
Total Expenses	<u>174,616</u>
Net Surplus/(Deficit)	<u><u>-</u></u>

SOUTH WEST COMMUNITY LEGAL CENTRE INC.
STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2017

	NOTE	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from funding bodies		791,817	789,775
Receipts from customers		9,352	13,018
Payments to suppliers and employees		(679,134)	(886,179)
Interest Received		1,269	2,573
Net cash provided by/(used in) operating activities	2(b)	<u>123,304</u>	<u>(80,813)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant & equipment		(24,343)	(7,949)
Net cash used in investing activities		<u>(24,343)</u>	<u>(7,949)</u>
Net increase/(decrease) in cash held		98,961	(88,762)
Cash at the beginning of the financial year		<u>113,061</u>	<u>201,823</u>
Cash at the end of the financial year	2(a)	<u>212,022</u>	<u>113,061</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 2017**

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 and the Australian Charities and Not-for-profits Commission Act 2012. 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 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 2017**

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 2017**

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	2017	2016
	\$	\$
Cheque Account	37,408	11,049
Cash Reserve	174,013	100,878
Debit Master Card	433	834
Petty Cash	168	300
	<u>212,022</u>	<u>113,061</u>
(b) Reconciliation of Net Cash to Surplus / (deficit) :	2017	2016
	\$	\$
Surplus / (deficit) from ordinary activities	24,064	(540)
Non-cash flows in surplus from ordinary activities:		
Depreciation	10,286	7,720
Changes in assets and liabilities:		
(Increase) / Decrease in receivables	(10,171)	(14,318)
Increase / (Decrease) in creditors and accruals	6,713	(27,208)
Increase / (Decrease) in unexpended grants	80,788	-
Increase / (Decrease) in provisions	11,624	(46,467)
Net cash provided by operating activities	<u>123,304</u>	<u>(80,813)</u>

NOTE 3 LEASING COMMITMENTS

Level 1, Bunbury Lotteries House Complex, 101 Victoria Street, Bunbury.

South West Community Legal Centre Inc. entered into a lease commencing 1 July 2017 for Level 1 of Bunbury Lotteries House Complex, 101 Victoria Street, Bunbury.

The term of the lease is for 12 months ending 30 June 2018, at which point the lease agreement will be reviewed. Monthly lease payments are \$2,605.10 excluding GST and the lease agreement may be cancelled by providing 1 month notice to either party.

SOUTH WEST COMMUNITY LEGAL CENTRE INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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 2017, \$80,788 of funding was unspent and required to be carried over to the following year.

Accordingly, a corresponding "Unexpended Grants" liability of \$80,788 has been brought to account as at 30 June 2017, 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 2017 carried forward to the 2017/2018 year are as follows:

	\$
1. CPCPG	9,457
2. CS	21,606
3. DVL	12,675
4. FRC	4,804
5. GL	16,839
6. MED	6,418
7. PPT MED	2,009
8. PPT OUT	6,980
TOTAL	<u>80,788</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 CHANGE IN ACCOUNTING POLICY

South West Community Legal Centre Inc. have previously recognised revenue from grant funding, provided under contractual arrangements when it is received.

Effective 1 July 2016, the Management Committee of South West Community Legal Centre Inc. has changed its accounting policy to record funding revenue provided under contractual arrangements over the period which the funding relates. As a result, grants in advance and unspent funding at balance date are recorded as a liability on the balance sheet.

NOTE 7 CHANGE OF NAME

Effective Wednesday 26 October 2016, at the Annual General Meeting, the association members resolved to change the name of the entity from Bunbury Community Legal Inc. to South West Community Legal Inc.

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

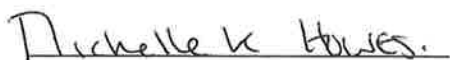
The Management Committee have determined that the association is not a reporting entity.

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* and the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Management Committee the attached financial statements:

1. Presents fairly the financial position of South West Community Legal Centre Inc. as at 30 June 2017 and its performance and cash flows for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that of South West Community Legal Centre 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 Management Committee and is signed for and on behalf of the Management Committee by:



Michelle Howes
Chairperson

Dated this day of October 2017



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**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 2017, the statement of profit & loss, the statement of cash flows and the statement of changes in equity for the year then ended, and notes comprising a summary of significant accounting policies, and the statement by members of 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 is in accordance with 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 2017, 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 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 *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 *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.

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

Management is 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 report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commissions Act 2012* and the needs of the members. Management's responsibility also includes such internal control as determined necessary to enable the preparation of a 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, 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 the entity'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 my 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 registered 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

A handwritten signature in black ink, appearing to read 'M Cavallo', with a horizontal line underneath.

MARIA CAVALLO
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 17th day of October 2017

**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 2017, 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* 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 small cross-like mark below it.

MARIA CAVALLO CA
Director

Bunbury, WA

Dated this 3rd day of October 2017