Lawright

ABN 52 033 468 135

Financial Statements

For the Year Ended 30 June 2019

Lawright

ABN 52 033 468 135

Contents

For the Year Ended 30 June 2019

Lawright

ABN 52 033 468 135

Directors' Report
30 June 2019

The committee members present their report on Lawright for the financial year ended 30 June 2019.

General information

Information on directors

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

Names	Position	Appointed/ Resigned
Matthew Jones - President	Barrister	
Gabriella Ritchie - Secretary	Senior Associate, McCullough Roberston	
Damien O'Brien QC - Treasurer	Barrister (BAQ Representative)	Appointed 18 February 2019
Francesca Bartlett	Academic, TC Beirne School of Law	
Lucy Bretherton	Counsel, Ashurst	
Katie Clark	Partner, Minter Ellison	
Binari De Saram	Legal Policy manager, Queensland Law Society (Representative)	
Peter Smith	Partner, Herbert Smith Freehills	
Tania Boal	Partner, Murphy Schmidt	Appointed 18 February 2019
Tim Baumann - Treasurer	Senior Associate, Murphy Schmidt	Resigned 18 February 2019
Robyn Wilkinson	Legal Aid Queensland	
Chloe Sheptooha	Senior Lawyer, Clayton Utz	Resigned 18 July 2018
Kate Hanson	Lander and Rogers	Resigned on 25 June 2019

The committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of Lawright during the financial year were to provide legal referral and direct services.

There were no significant changes in the nature of Lawright's principal activities during the financial year.

Operating results and review of operations for the year

Operating result

The surplus of the Association for the financial year after providing for income tax amounted to $ 157,961 (2018: $ 173,548).

Signed in accordance with a resolution of the Members of the Committee:

Committee member: ....
Matthew Jones - President

Committee member: ....
Gabriella Ritchie - Secretary

Dated this 27th day of November 2019

INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au

T 07 3905 9430 M 0431 682 669
Level 1, Suite 1a
33 Queen Street
Brisbane QLD 4000

Lawright

ABN 52 033 468 135

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Lawright

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

(i) no contraventions of 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) no contraventions of any applicable code of professional conduct in relation to the audit.

INDEPENDENT AUDIT SERVICES

Chartered Accountants

Jiahui (Jeremiah) Thum

Director

Brisbane, QLD

Dated 27 November 2019

Lawright

ABN 52 033 468 135

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Revenue	5	**2,349,498**	2,351,154
Finance income	6	**8,743**	8,154
Other income	5	**44,849**	47,356
Employee benefits expense	7	**(1,986,672)**	(1,906,058)
Restructuring costs		**(16,906)**	(10,219)
Depreciation and amortisation expense	7	**(3,878)**	(5,062)
Other Nature Category UD1		**(9,518)**	-
Telephone & Fax & Internet		**(8,336)**	(15,783)
Auditor's remuneration		**(10,150)**	(11,415)
Consultants Fees		**(21,024)**	(63,884)
Computer Expenses		**(34,682)**	(20,543)
Supervision Costs		**(31,000)**	(31,000)
Printing/ Stationery & Photocopier		**(6,563)**	(11,194)
Memberships and Subscriptions		**(25,330)**	(26,259)
Events Related Expenses		**(19,815)**	(11,433)
Rent	7	**(24,446)**	(71,950)
Other expenses		**(46,809)**	(48,316)
Surplus before income tax		**157,961**	173,548
Income tax expense		**-**	-
Surplus from continuing operations		**157,961**	173,548
Surplus for the year		**157,961**	173,548
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		**157,961**	173,548

The Association has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Lawright

ABN 52 033 468 135

Statement of Financial Position

As At 30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	**994,289**	864,741
Trade and other receivables	9	**29,740**	19,800
Other assets	11	**4,249**	1,450
TOTAL CURRENT ASSETS		**1,028,278**	885,991
NON-CURRENT ASSETS			
Property, plant and equipment	10	**15,898**	19,776
TOTAL NON-CURRENT ASSETS		**15,898**	19,776
TOTAL ASSETS		**1,044,176**	905,767
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**152,053**	128,015
Short-term provisions	13	**8,000**	8,000
Employee benefits	15	**136,718**	161,010
Other financial liabilities	14	**11,007**	30,305
TOTAL CURRENT LIABILITIES		**307,778**	327,330
TOTAL LIABILITIES		**307,778**	327,330
NET ASSETS		**736,398**	578,437
EQUITY			
Retained earnings		**736,398**	578,437
TOTAL EQUITY		**736,398**	578,437

The Association has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings $	Total $
Balance at 1 July 2018	**578,437**	**578,437**
Surplus during the year	**157,961**	**157,961**
Balance at 30 June 2019	**736,398**	**736,398**

2018

	Retained Earnings $	Total $
Balance at 1 July 2017	404,889	404,889
Surplus during the year	173,548	173,548
Balance at 30 June 2018	578,437	578,437

The Association has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Lawright

ABN 52 033 468 135

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**2,365,110**	2,329,971
Payments to suppliers and employees		**(2,244,305)**	(2,196,612)
Interest received		**8,743**	8,154
Net cash provided by/(used in) operating activities		**129,548**	141,513
Net increase/(decrease) in cash and cash equivalents held		**129,548**	141,513
Cash and cash equivalents at beginning of year		**864,741**	723,228
Cash and cash equivalents at end of financial year	8	**994,289**	864,741

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers Lawright as an individual entity. Lawright is a not-for-profit Association, registered and domiciled in Australia.

The principal activities of the Association for the year ended 30 June 2019 were to provide legal referral and direct services.

The functional and presentation currency of Lawright is Australian dollars.

The financial report was authorised for issue by those charged with governance on 27 November 2019.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012.*

2 Change in Accounting Policy

Financial Instruments - Adoption of AASB 9

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

As part of the adoption of AASB 9, the Association 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 Association's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Association has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of the Association 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
- Fair value through profit or loss (FVTPL) (Not applicable to the Association)

2 Change in Accounting Policy

Financial Instruments - Adoption of AASB 9

Classification of financial assets

- Fair value through other comprehensive income - debt instruments (FVOCI - debt) (Not applicable to the Association)
- Fair value through other comprehensive income - equity instruments (FVOCI - equity) (Not applicable to the Association).

Measurement of equity instruments

All equity instruments of the Association are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 which allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) in the reporting period which includes the date of application.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments classified as fair value through other comprehensive income are taken to the relevant reserve.

There are no equity instruments identified during the year.

Derivatives

Derivatives embedded in contracts where the host is a financial asset in the scope of AASB 9 are never separated, the whole hybrid instrument is classified.

There are no derivatives identified during the year.

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 resulted in the earlier recognition of credit loss (bad debt provisions).

Hedge accounting

The Association has not adopted any type of hedge accounting during the year.

Transition adjustments

There are no impact to reserves and retained earnings on adoption of AASB 9 at 1 July 2018.

Classification of financial assets and financial liabilities

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Change in Accounting Policy

Financial Instruments - Adoption of AASB 9

Classification of financial assets and financial liabilities

	Note	Classification under AASB 139	Classification under AASB 9	Carrying amount under AASB 139	Reclassific-ation	Re-measure me-nts	Carrying amount under AASB 9
				$	$	$	$
Financial assets							
Trade and other receivables		Loans and receivables	Amortised cost	19,800	-	-	19,800
Cash and cash equivalents		Loans and receivables	Amortised cost	864,741	-	-	864,741
Total financial assets				884,541	-	-	884,541
Financial liabilities							
Other payables		Other financial liabilities	Other financial liabilities	128,015	-	-	128,015

3 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.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

3 Summary of Significant Accounting Policies

(c) Revenue and other income

Grant revenue

Grant revenue

Lawright receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(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.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the revaluation model.

Depreciation

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.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture & Equipment	5% to 15%
Motor Vehicles	15%
Computer Equipment	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(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;
- financial assets at fair value through profit or loss (Not applicable to the Association);
- available-for-sale financial assets (Not applicable to the Association); and
- held-to-maturity investments (Not applicable to the Association).

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.

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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 assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the Association to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Association has identified no such transaction during the year.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Association's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows.

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Any changes to the carrying amount of the investment are recognised in profit or loss.

The Association has identified no such transaction during the year.

Available-for-sale financial assets

The Association has identified no such transaction during the year.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

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. Although the Association uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Association's financial liabilities include 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.

3 Summary of Significant Accounting Policies

(f) Financial instruments

Impairment of Financial Assets

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

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

For current year

Financial instruments are recognised initially 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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

- amortised cost
- fair value through profit or loss - FVTPL (Not applicable to the Association)
- fair value through other comprehensive income - equity instrument (FVOCI - equity) (Not applicable to the Association)
- fair value through other comprehensive income - debt investments (FVOCI - debt) (Not applicable to the Association

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding. (Not applicable to the Association)

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Association does not deal with any equity instruments during the year.

Financial assets through profit or loss

The Association does not deal with any such balances during the year.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

- financial assets measured at amortised cost

- debt investments measured at FVOCI (Not applicable to the Association)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade and other payables, and employee benefits.

(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.

(i) Provisions

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

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) 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 or refer to Note 2 for details of the changes due to standards adopted.

(k) 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:

3 Summary of Significant Accounting Policies

(k) New Accounting Standards and Interpretations continued

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers	Annual reporting periods beginning on or after 1 July 2019	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. Accounting policy changes will arise in timing of revenue recognition, treatment of contract costs and contracts which contain a financing element. 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.	The Committee Members has determined no significant impact when applying this standard given the simplicity of their revenue streams. However, there may be additional disclosures when applying this new standard when it becomes effective.
AASB 1058 Income of NFP Entities	Annual reporting periods beginning on or after 1 July 2019	AASB 1058 supersedes all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contribution. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.	The Committee Members has determined no significant impact when applying this standard given the simplicity of their revenue streams.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(k) New Accounting Standards and Interpretations continued

Standard Name	Effective date for entity	Requirements	Impact
AASB 1058 Income of NFP Entities (continued)		AASB 1058 applies when a NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity recognises and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (i.e. AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, this Standard requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable Accounting Standard, such as: (a) contribution by owners; (b) revenue, or a contract liability arising from a contract with a customer; (c) a lease liability; (d) a financial instruments; or (e) a provision. If the transaction is a transfer of a financial asset to enable an entity to acquire or construct a recognisable nonfinancial asset to be controlled by the entity (i.e. an in-substance acquisition of a non-financial asset), the entity recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The entity recognises income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.	However, there may be additional disclosures when applying this new standard when it becomes effective.

3 Summary of Significant Accounting Policies

(k) New Accounting Standards and Interpretations continued

Standard Name	Effective date for entity	Requirements	Impact
AASB 1058 Income of NFP Entities (continued)		If the transactions does not enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.	

4 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 - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

There are no indicators of impairment during the year.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

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.

5 Revenue and Other Income

Revenue from continuing operations

	2019 $	2018 $
Main revenue		
- member subscriptions	**163,282**	138,755
- events/ donations	**182,025**	184,705
- state/ federal government grants (operating)	**2,004,191**	2,027,694
Total Revenue	**2,349,498**	2,351,154

	2019 $	2018 $
Other Income		
- other income	**44,850**	47,356
Total Revenue and Other Income	**2,394,348**	2,398,510

6 Finance Income and Expenses

Finance income

	2019 $	2018 $
Interest income		
- Assets measured at amortised cost	**8,743**	8,154

The Association has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement.*

7 Result for the Year

The result for the year includes the following specific expenses:

	2019 $	2018 $
Other expenses:		
Employee benefits expense	**1,986,672**	1,906,058
Auditor's remuneration	**10,150**	11,415
Rental expenses	**24,446**	71,950
Depreciation expense	**3,878**	5,062

Notes to the Financial Statements

For the Year Ended 30 June 2019

8 Cash and Cash Equivalents

	2019 $	2018 $
Cash at bank and in hand	**994,289**	864,741
	994,289	864,741

9 Trade and Other Receivables

	2019 $	2018 $
CURRENT		
Trade receivables	**29,740**	19,800
Total current trade and other receivables	**29,740**	19,800

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.

10 Property, plant and equipment

	2019 $	2018 $
PLANT AND EQUIPMENT		
Office equipment		
At cost	**107,486**	107,486
Accumulated depreciation	**(91,821)**	(88,108)
Total office equipment	**15,665**	19,378
Computer equipment		
At cost	**41,365**	41,365
Accumulated depreciation	**(41,132)**	(40,967)
Total computer equipment	**233**	398
Total plant and equipment	**15,898**	19,776
Total property, plant and equipment	**15,898**	19,776

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Property, plant and equipment (continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture & Equipment	Computer Equipment	Total
	$	$	$
Year ended 30 June 2019			
Balance at the beginning of year	**19,378**	**398**	**19,776**
Depreciation expense	**(3,713)**	**(165)**	**3,878**
Balance at the end of year	**15,665**	**233**	**15,898**

11 Other Assets

	2019	2018
	$	$
CURRENT		
Prepayments	**4,249**	1,450

12 Trade and Other Payables

	2019	2018
	$	$
Current		
GST payable	**288**	-
Sundry payables and accrued expenses	**151,762**	128,012
Other payables	**3**	3
	152,053	128,015

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Provisions

	2019	2018
	$	$
CURRENT		
Other Provisions	**8,000**	8,000

14 Other Financial Liabilities

	2019	2018
	$	$
CURRENT		
Unspent grants	**12,000**	12,000
Prepaid memberships	**-**	18,305
Credit card	**(993)**	-
Total	**11,007**	30,305

15 Employee Benefits

	2019	2018
	$	$
Current liabilities		
Long service leave	**20,182**	15,846
Annual leave	**116,536**	145,164
	136,718	161,010

16 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2019 (30 June 2018: None).

17 Related Parties

(a) Transactions with related parties

There are no related party transactions identified during the year.

(b) Loans to/from related parties

There are no loans to or from related parties during the year.

The financial report was authorised for issue on 27 November 2019 by those charged with governance.

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.

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

18 Statutory Information

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

Lawright
PO Box 12217
George Street QLD 4003

19 Use of Funds - Legal Aid Queensland

	2019 $	2018 $
Income		
- Service Delivery Funding - QLD	**746,740**	841,196
- Service Delivery Funding - Commonwealth	**663,759**	560,244
- Allowable Surplus from previous years	**-**	33,045
- Other Income	**125,900**	58,390
Total Income	**1,536,399**	1,492,875
Expenditure		
- Salaries and Wages	**1,417,956**	1,320,076
- Other Operating Expenditure	**118,443**	172,799
Total Expenditure	**1,536,399**	1,492,875
Surplus/ (Deficit)	**-**	-

20 Use of Funds - Legal Aid Queensland (CLE Collaboration Fund Project)

	2019 $
Income	
- Service Delivery Funding - QLD	**10,000**
- Other Income	**7,000**
Total Income	**17,000**
Expenditure	
- Salaries and Wages	**14,742**
- Other Operating Expenditure	**2,258**
Total Expenditure	**17,000**
Surplus/ (Deficit)	**-**

Notes to the Financial Statements

For the Year Ended 30 June 2019

21 Use of Funds - Legal Aid Queensland (ILHC)

	2019 $	2018 $
Income		
- Service Delivery Funding - QLD	**150,000**	150,000
- Other Income	**-**	1,944
Total Income	**150,000**	151,944
Expenditure		
- Salaries and Wages	**130,216**	83,733
- Other Operating Expenditure	**34,186**	45,213
Total	**164,402**	128,946
Surplus/ (Deficit)	**(14,402)**	22,998

22 Use of Funds - Legal Aid Queensland (DJAG Outreach Project)

	2019 $
Income	
- Service Delivery Funding - QLD	**18,750**
Total Income	**18,750**
Expenditure	
- Salaries and Wages	**15,650**
- Other Operating Expenditure	**3,100**
Total Expenditure	**18,750**
Surplus/ (Deficit)	**-**

Lawright

ABN 52 033 468 135

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person ....
Matthew Jones - President

Responsible person ....
Gabriella Ritchie - Secretary

Dated 27th November 2019

INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au

T 07 3905 9430 M 0431 682 669
Level 1, Suite 1a
33 Queen Street
Brisbane QLD 4000

Lawright

ABN 52 033 468 135

Independent Audit Report to the members of Lawright

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lawright, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Lawright has been prepared 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 Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 201*3.

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 Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine 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, the responsible entities are responsible for assessing the Registered Entity'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 responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered 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 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 Registered Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.

- Conclude on the appropriateness of the responsible entities' 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.

INDEPENDENT AUDIT SERVICES

Chartered Accountants

Jiahui (Jeremiah) Thum

Director

Brisbane, QLD

Dated 27 November 2019