Lawright

ABN 52 033 468 135

Financial Statements

For the Year Ended 30 June 2020

Lawright

ABN 52 033 468 135

Contents

For the Year Ended 30 June 2020

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Directors' Report

30 June 2020

The committee members present their report on Lawright for the financial year ended 30 June 2020.

Information on directors

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

Names	Position	Appointed/ Resigned
Roslyn Atkinson AO	President	Appointed 3 Dec 2019
Matthew Jones	President	Resigned 3 Dec 2019
Gabriella Ritchie	Secretary	
Damien O'Brien QC	Treasurer	
Francesca Bartlett	Committee member	
Lucy Bretherton	Committee member	Resigned 3 Dec 2019
Katie Clark	Committee member	
Binny De Saram	Committee member	
Peter Smith	Committee member	Resigned 3 Dec 2019
Tania Boal	Committee member	
Andrew Crowe	Committee member	Appointed 3 Dec 2019
Robyn Wilkinson	Committee member	Resigned 29 July 2019
Jacqueline Wootton	Committee member	Appointed 3 Dec 2019
Tony Denholder	Committee member	Appointed 3 Dec 2019
Matthew Jones	Committee member	Appointed 3 Dec 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 $ 109,360 (2019: $ 157,961).

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

Committee member: Roslyn Atkinson .... Committee member: ....

Dated: 16th October 2020

INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au

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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 2020, 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: 16th October 2020

Lawright

ABN 52 033 468 135

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue	5	**2,502,926**	2,349,498
Finance income	6	**7,133**	8,743
Other income	5	**51,124**	44,849
Employee benefits expense	7	**(2,215,909)**	(1,986,672)
Restructuring costs		**(9,947)**	(16,906)
Depreciation and amortisation expense	7	**(28,460)**	(3,878)
Donation expenses		**(8,931)**	(9,518)
Telephone & Fax & Internet		**(9,677)**	(8,336)
Auditor's remuneration	7	**(5,186)**	(10,150)
Consultants Fees		**(36,227)**	(21,024)
Computer Expenses		**(21,982)**	(34,682)
Supervision Costs		**(30,000)**	(31,000)
Printing/ Stationery & Photocopier		**(3,623)**	(6,563)
Memberships and Subscriptions		**(23,972)**	(22,863)
Events Related Expenses		**(6,284)**	(19,815)
Rent	7	**-**	(26,913)
Interest expense	6	**(4,373)**	-
Other expenses		**(47,252)**	(46,809)
Surplus before income tax		**109,360**	157,961
Income tax expense		**-**	-
Surplus from continuing operations		**109,360**	157,961
Surplus for the year		**109,360**	157,961
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		**109,360**	173,548

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	**1,137,459**	994,289
Trade and other receivables	9	**31,740**	29,740
Other assets	11	**1,450**	4,249
TOTAL CURRENT ASSETS		**1,170,649**	1,028,278
NON-CURRENT ASSETS			
Property, plant and equipment	10	**12,020**	15,898
Right of use assets	16	**73,748**	-
TOTAL NON-CURRENT ASSETS		**85,768**	15,898
TOTAL ASSETS		**1,256,417**	1,044,176
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**140,986**	152,053
Lease liability		**51,624**	-
Short-term provisions	13	**-**	8,000
Employee benefits	15	**172,869**	136,718
Contract liability (unspent grant)	**23**	**20,000**	12,001
Other financial liabilities	14	**1,417**	(993)
TOTAL CURRENT LIABILITIES		**386,896**	307,778
NON-CURRENT LIABILITIES			
Lease liability		**23,763**	-
TOTAL NON-CURRENT LIABILITIES		**23,763**	-
TOTAL LIABILITIES		**410,659**	307,778
NET ASSETS		**845,758**	736,398
EQUITY			
Retained earnings		**845,758**	736,398
TOTAL EQUITY		**845,758**	736,398

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	$	$
Balance at 1 July 2019	**736,398**	**736,398**
Surplus for the year	**109,360**	**109,360**
Other comprehensive income, net of income tax	-	-
Balance at 30 June 2020	**845,758**	**845,758**

2019

	Retained Earnings	Total
	$	$
Balance at 1 July 2018	578,437	578,437
Surplus for the year	157,961	157,961
Other comprehensive income, net of income tax	-	-
Balance at 30 June 2019	736,398	736,398

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from grants		**2,534,460**	2,365,110
Payments to suppliers and employees		**(2,371,107)**	(2,244,305)
Interest received		**7,133**	8,743
Net cash provided by/(used in) operating activities		**170,486**	129,548
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liability		**(22,943)**	-
Payment of interest on lease liability		**(4,373)**	-
Net cash provided by/(used in) financing activities		**(27,316)**	129,548
Net increase/(decrease) in cash and cash equivalents held		**143,170**	129,548
Cash and cash equivalents at beginning of year		**994,289**	864,741
Cash and cash equivalents at end of financial year	8	**1,137,459**	994,289

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Notes to the Financial Statements

For the Year Ended 30 June 2020

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 2020 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 the Responsible persons on 16th October 2020.

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

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The Association has determined that there are no significant changes to the way revenue is currently been recognised. Therefore, no significant changes are been made to the books and processes. However, it is noted that there may be some changes to certain disclosures which are required under the new accounting standards.

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

The Association has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Association has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Association's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;

2 Change in Accounting Policy

Leases - Adoption of AASB 16

- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

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.

Revenue from contracts with customers

For current year
The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Subscriptions

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

3 Summary of Significant Accounting Policies

(a) Revenue and other income

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.

Lawright receives nonreciprocal 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.

Other income

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

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Association presents the contract as a contract asset, unless the Association's rights to that amount of consideration are unconditional, in which case the Association recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Association presents the contract as a contract liability.

Contract cost assets

The Association recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Statement of financial position balances relating to revenue recognition

Costs to obtain a contract

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Set-up / mobilisation costs

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Association if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Association that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on an systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

(b) 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.

(c) Income Tax

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

(d) 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

(d) 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.

(e) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(e) 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

(e) 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

(e) 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

(e) 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:

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(e) 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

(e) 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.

(f) 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.

(g) Lease

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.

(i) Right-of-use-asset

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(ii) Lease Liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(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.

3 Summary of Significant Accounting Policies

(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 2020, 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.

4 Critical Accounting Estimates and Judgments

The Responsible persons 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Revenue and Other Income

Revenue from continuing operations

	2020 $	2019 $
Revenue from contracts with customers (AASB 15)		
- member subscriptions	**104,509**	163,282
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- events/ donations	**273,395**	182,025
- state/ federal government grants (operating)	**2,062,522**	2,004,191
- Cashflow boost	**62,500**	
Total Revenue	**2,502,926**	2,349,498

	2020 $	2019 $
Other Income		
- other income	**51,124**	44,850
Total Revenue and Other Income	**2,554,050**	2,394,348

6 Finance Income and Expenses

Finance income

	2020 $	2019 $
Interest income		
- Assets measured at amortised cost	**7,133**	8,743
Interest expense		
- Interest on lease liability	**4,373**	-

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:

	2020 $	2019 $
Other expenses:		
Employee benefits expense	**2,215,909**	1,986,672
Auditor's remuneration	**5,186**	10,150
Rental expenses	**-**	24,446
Depreciation expense	**28,460**	3,878

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Cash and Cash Equivalents

	2020 $	2019 $
Cash at bank and in hand	**1,137,459**	994,289
	1,137,459	994,289

9 Trade and Other Receivables

	2020 $	2019 $
CURRENT		
Trade receivables	**19,240**	29,740
Total current trade and other receivables	**19,240**	29,740

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

	2020 $	2019 $
PLANT AND EQUIPMENT		
Office equipment		
At cost	**107,486**	107,486
Accumulated depreciation	**(95,534)**	(91,821)
Total office equipment	**11,952**	15,665
Computer equipment		
At cost	**41,365**	41,365
Accumulated depreciation	**(41,297)**	(41,132)
Total computer equipment	**68**	233
Total plant and equipment	**12,020**	15,898
Total property, plant and equipment	**12,020**	15,898

Notes to the Financial Statements

For the Year Ended 30 June 2020

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 2020			
Balance at the beginning of year	**15,665**	**233**	**15,898**
Depreciation expense	**(3,713)**	**(165)**	**(3,878)**
Balance at the end of year	**11,952**	**68**	**12,020**

11 Other Assets

	2020	2019
	$	$
CURRENT		
Prepayments	**1,450**	4,249

12 Trade and Other Payables

	2020	2019
	$	$
Current		
GST payable	**(288)**	288
Sundry payables and accrued expenses	**141,263**	151,762
Other payables	**11**	3
	140,986	152,053

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

	2020	2019
	$	$
CURRENT		
Other Provisions	-	8,000

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Other Financial Liabilities

	2020 $	2019 $
CURRENT		
Credit card	**1,416**	(993)
Total	**1,416**	(993)

15 Employee Benefits

	2020 $	2019 $
Current liabilities		
Long service leave	**22,508**	20,182
Annual leave	**150,361**	116,536
	172,869	136,718

16 Lease

The Association has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

The Association has entered the lease arrangement over its current business premise form 1 July 2018 to 30 June 2020. The rent is subject to CPI review and there is no guarantor required.

Right-of-use-assets

	Building $	Total $
Year ended 30 June 2020		
Balance at beginning of the year	**98,330**	98,300
Depreciation charge	**(24,582)**	(24,582)
Balance at end of year	**73,748**	73,748

Extension options

The lease includes a renewal option to allow the Association to renew for up to another 3 years to June 2023. Association has agreed to renew the lease for another 3 years to June 2023.

17 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2020 (30 June 2019: None).

18 Related Parties

There are no related party transactions identified during the year.

19 Events after the end of the Reporting Period

The financial report was authorised for issue on 16th October 2020 by those charged with governance.

The operation of the Association has not been materially affected by COVID -19 given the fact that majority of the funding was from the Government with confirmed amount through agreement in advance. There was impact to the fundraising and small grants income however they were not material.

The Entity has considered the impact of the outbreak, however, as of the date of issuance of the financial report, it is not possible to accurately determine the nature or extent of the impacts or the time over which the entity will be impacted. Based on the current available information, the Responsible persons believe that the entity will remain a going concern.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

20 Statutory Information

The registered office and principal place of business of the association is:
Lawright
Level 2, Law Society House
179 Ann Street
Brisbane
QLD 4000

21 Use of Funds - Legal Aid Queensland

	2020	2019
	$	$
Income		
- Service Delivery Funding - QLD	**766,810**	746,740
- Service Delivery Funding - Commonwealth	**684,619**	663,759
- Allowable Surplus from previous years	**-**	-
- Other Income	**321,255**	125,900
Total Income	**1,772,684**	1,536,399
Expenditure		
- Salaries and Wages	**1,511,145**	1,417,956
- Other Operating Expenditure	**261,539**	118,443
Total Expenditure	**1,772,684**	1,536,399
Surplus/ (Deficit)	**-**	-

Notes to the Financial Statements

For the Year Ended 30 June 2020

22 Use of Funds - Legal Aid Queensland (IT Project)

	2020
	$
Income	
- Service Delivery Funding - QLD	**10,000**
Total Income	**10,000**
Expenditure	
- AAKonsult	**4,980**
- SalesFix & SalesForce	**5,020**
Total Expenditure	**10,000**
Surplus/ (Deficit)	**-**

23 Use of Funds - Legal Aid Queensland (ILHC)

	2020	2019
	$	$
Income		
- Service Delivery Funding - QLD	**110,000**	150,000
- Law Yarn Video Project	**20,000**	-
- Other Income	**10,000**	-
- Surplus from 2019	**8,596**	-
- Transfer from Reserve	**64,972**	-
Total Income	**213,568**	150,000
Expenditure		
- Salaries and Wages	**146,308**	130,216
- Other Operating Expenditure	**47,260**	34,186
Total	**193,568**	164,402
Surplus/ (Deficit)	**20,000**	(14,402)

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 Roslyn Atkinson .... Responsible person ....

Dated: 16 October 2020

INDEPENDENT AUDIT SERVICES

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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 2020, 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 2020 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 2013*.

Basis for Opinion

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

Other matter

We draw attention to Note 19 of the financial report which describes the current outbreak of the Coronavirus (COVID-19) which has no material impact to the funding of the Association. It is unable to quantify the potential impact to the financial performance of the Entity. Our opinion is not modified in respect of their matter.

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.

Responsibilities of Responsible Entities for the Financial Report

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: 16 October 2020