

Consumer Action Law Centre Ltd

ABN: 37 120 056 484

Financial Statements

For the Year Ended 30 June 2020

Consumer Action Law Centre Ltd

ABN: 37 120 056 484

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For the Year Ended 30 June 2020

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Consumer Action Law Centre Ltd

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Directors' Report

30 June 2020

The directors present their report on Consumer Action Law Centre Ltd for the financial year ended 30 June 2020.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

John Berrill

Qualifications

BA LLB

Experience

John is a principal of the consumer law firm Berrill & Watson practising in superannuation, insurance and financial advice claims and disputes, he is also a volunteer lawyer at Social Security Rights Victoria and the Mental Health Legal Centre.

David Berry

Qualifications

BBus (Banking and Finance); Master of Finance

Experience

David is the CEO of Way Forward Debt Solutions Ltd, a not for profit established by the four major banks, ABA and Financial Counselling Australia with a focus on assisting people in financial hardship. He is a former General Manager at NAB, and has extensive experience in the areas of credit and debt.

Roslyn Hunter

Qualifications

(Resigned 11 November 2019)

Cert IV Training and Assessment; Grad Cert Finance; BBus (Accounting)

Experience

Roslyn's background is in corporate finance and both business and personal banking, having worked for two of the major banks for most of her career. She currently presents small business seminars and workshops for the Victorian Government Department of Innovation, Industry and Regional Development as well as other business training.

Roslyn was previously on the management committee of CCLS, one of the two predecessor organisations of Consumer Action, and has a good appreciation and regard for the substantial body of policy and advocacy work that the current management and staff continue to successfully build upon.

Directors' Report

30 June 2020

1. General information

Information on directors

Vic Marles (Chair)

Qualifications

LLB

Experience

Vic Marles is the CEO of Trust for Nature, a statutory entity established by the Victorian Conservation Trust Act 1972 working in the area of private land conservation. Prior to that, Vic was the first Legal Services Commissioner and CEO of the Legal Services Board, a position she held for four years. Vic was the Deputy Telecommunications Industry Ombudsman from 2002 to 2005. She worked as a lawyer with the Communications Law Centre from 1993 to 2002, and was the Deputy Director and manager of the Melbourne office. She was a legal member of the Guardianship Board and Guardianship List of VCAT for ten years, finishing in 2002. Vic has worked as a solicitor at Corrs and Holding Redlich.

Vic has held a number of board and council positions. She is currently a director of Yarra Valley Water Corporation. She has been a member of the Consumers Federation of Australia Council and the TIO Council. She chaired the board of Circus Oz for fourteen years until 2007. She has been a member of the Board of the Victorian Arts Centre, the Victorian Women's Trust, the Australian Community Support Organisation and the Melbourne Writers Festival.

Barbara Romeril

Qualifications

(Resigned 11 November 2019)

MA in Social Policy; Grad Dip in Social Science - Community Development; BSc

Experience

Barbara is the director of Barbara Romeril Consulting, a specialist professional consulting service supporting leadership in community service. She was former Executive Director of Community Child Care and has over twenty years of experience working in community services, including five years as Executive Director of the peak body for financial counselling and consumer support services in Victoria. She has worked in federal and state government, large voluntary organisations and community-based associations, and has broad experience in community development, social policy, needs analysis, service development, implementation and review.

Barbara also has broad experience in governance of community organisations. She was a consumer director on the Board of the Energy and Water Ombudsman of Victoria Inc for five years. She was appointed by the Premier to the Victorian Relief Committee and has held the position of Vice-President of the Victorian Council of Social Services.

Directors' Report

30 June 2020

1. General information

Information on directors

Philip Cullum

Qualifications

LLB/LLM

Experience

Philip is an expert in consumer policy, insight and regulation in Australia and the UK. He is currently a senior advisor to the Australian Energy Regulator, the consumer member of the Customer Owned Banking Code Compliance Committee, and a member of the Consumer Policy Research Centre's 2020 Reference Group. He previously spent a year on secondment at the Australian Competition and Consumer Commission from the UK energy regulator Ofgem, where he was Consumer & Sustainability Partner with responsibilities including consumer protection, redress and vulnerability. He held senior roles in three UK consumer bodies, including being Deputy Chief Executive at the National Consumer Council and Consumer Focus, and sat on numerous UK advisory bodies, including chairing the Food Standards Agency advisory committee on consumer engagement and being a member of the Civil Aviation Authority and Southern Water consumer panels. He was a member of the UK government's independent Regulatory Policy Committee and a member of the review of the economic regulation of UK airports. He has also worked for the global management consultancy Accenture, where he was an Associate Partner, and a research agency.

David Tennant

Qualifications

BA/LLB

Experience

David commenced his appointment as CEO of Shepparton-based FamilyCare in May 2010 and has held a variety of roles in the community sector. From 1995 to 2008 he was employed by Care Inc Financial Counselling Service in the ACT, initially as a consumer lawyer, then as the agency's Director from mid-2000. From April 2003 to November 2008 David was the Consumer Member of the Australian Code of Banking Practice Compliance Monitoring Committee. Prior to appointment with FamilyCare David was Civil Practice Manager with Legal Aid ACT. He has also spent periods as a Visiting Fellow at the Australian National University and a Senior Manager with the Australian Securities and Investments Commission.

David has held a number of representative roles, including terms as Chair of both the Consumers Federation of Australia and the Australian Financial Counselling and Credit Reform Association (now Financial Counselling Australia). Along with his current position at FamilyCare, David is a Trustee of the Jan Pentland Foundation, a member of the Law Help Assessment Panel for the Office of the Registrar of Indigenous Corporations and participates in a number of local and regional networks and committees.

Sarah Leslie

Qualifications

(Appointed 11 November 2019)

BCom (Hons Economics)

Experience

Sarah is a Director of Policy & Reform in the Victorian Department of Transport. Sarah is an economist and has worked with the Federal Government in the Departments of Treasury and Prime Minister & Cabinet. Sarah has also worked as a senior ministerial adviser in the Victorian Government, serving former Minister for Energy & Resources and Treasurer. Sarah is currently completing a Masters of Global Competition & Consumer Law at the University of Melbourne

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Directors' Report

30 June 2020

1. General information

Information on directors

Ciara Sterling	(Appointed 11 November 2019)
Experience	Ciara Sterling is Director and CEO of the Thriving Communities Partnership and leads a cross-sectoral collaboration of organisations tackling the root causes of hardship and inequality. She has 20 years' experience collaborating widely within and across the corporate, government and community sectors to design and deliver innovative shared-value programs. She was the Head of Community Inclusions at Yarra Valley Water and held several roles within the organisation across Strategy and Community, Retail Services and Marketing and Communications. In 2016–17, Ciara led the water industry's response to the Victorian Royal Commission into Family Violence and was seconded into the Essential Services Commission. She also spent over 10 years volunteering for WaterAid Australia.

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

Principal activities

The Consumer Action Law Centre is a campaign-focused consumer advocacy organisation based in Melbourne. As a community legal centre, Consumer Action provides free legal advice and pursues litigation on behalf of vulnerable and disadvantaged consumers across Victoria, and is the largest specialist consumer legal practice in Australia. As well as working with consumers directly, Consumer Action provides legal assistance and professional training to community workers who advocate on behalf of consumers.

As a financial counselling centre, Consumer Action operates The National Debt Helpline for Victoria, a not-for-profit email and telephone financial counselling service providing free, confidential and independent financial advice to Victorians experiencing financial difficulty. The National Debt Helpline is nationally recognised as a point of contact in Victoria for anyone with financial counselling issues.

As a nationally-recognised and influential policy and research body, Consumer Action pursues a law reform agenda across a range of important consumer issues at a governmental level, in the media and throughout the community directly.

No significant changes in the nature of the Company's activity occurred during the financial year.

Objectives

Our Vision:

A just marketplace where people have power and business plays fair.

Our purpose:

To make life easier for people experiencing vulnerability and disadvantage in Australia.

We use our skills in the law, financial counselling, policy and campaigning to make consumer markets fair. We do this by:

- Assisting and empowering people by advising them about their rights, connecting them with services, and supporting them to be capable self-advocates;
- Supporting an effective community sector by enabling community workers to help their clients through training, outreach and legal assistance;

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Directors' Report

30 June 2020

1. General information

Objectives

- Shaping a fairer system, by leading change to policy, laws and industry practice. We also litigate in the public interest and work to improve access to justice

Our policy and advocacy work is informed by our experience assisting and representing people in Victoria, and has a national reach. We are an independent organisation based in Melbourne and collaborating extensively.

Members' guarantee

Consumer Action Law Centre Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up the company, the constitution states that (a) each Member, and (b) each person who has ceased to be a Member in the preceding year, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 5 for members that are corporations and \$ 5 for all other members, subject to the provisions of the company's constitution.

At 30 June 2020 the collective liability of members was \$ 35 (2019: \$ 35).

2. Other items

Meetings of directors

During the financial year, 14 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Board Meetings (Operational and Strategic)		Audit, Finance & Risk Committee Meetings		CEO Review Committee Meetings		AGM	
	Eligible Meetings	Number attended	Eligible Meetings	Number attended	Eligible Meetings	Number attended	Eligible Meetings	Number attended
John Berrill	6	6	1	1	-	-	1	1
David Berry	6	6	6	6	1	1	1	1
Roslyn Hunter	3	1	2	-	-	-	1	-
Vic Marles (Chair)	6	6	1	1	2	2	1	1
Barbara Romeril	3	3	-	-	1	1	1	1
Philip Cullum	6	6	1	1	-	-	1	1
David Tennant	6	6	4	4	-	-	1	1
Sarah Leslie	4	4	1	1	-	-	1	1
Ciara Sterling	4	4	1	1	-	-	1	-

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Directors' Report


30 June 2020

Auditor's independence declaration

The lead auditor's independence declaration in accordance with s60-40 of the Australian Charities and Not-for-profit Commission Act 2012, for the year ended 30 June 2020 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:



Director:



Dated 12 October 2020

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Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Consumer Action Law Centre Ltd

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 of 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.*



Andrew Fisher FCA, Partner (auditor registration number 306364) on behalf of
Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company registration number 294178 (ACN 115 749 598)

12 October 2020

Melbourne, Australia

Consumer Action Law Centre Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	4	4,961,974	4,752,107
Other income	4	211,136	368,860
Employee benefits expense		(4,480,055)	(4,199,660)
Depreciation and amortisation expense		(68,721)	(62,101)
Travel costs		(46,350)	(115,553)
Premises expense		(338,316)	(333,521)
Office overhead expenses		(142,071)	(164,053)
Finance and accounting		(14,764)	(14,662)
Communication expenses		(39,194)	(44,947)
Library resources and subscriptions		(31,379)	(30,297)
Program and planning expenses		(116,002)	(389,664)
Other expenses		(257,721)	(194,108)
Deficit for the year		(361,463)	(427,599)
Other comprehensive income			
Total comprehensive income		(361,463)	(427,599)

The accompanying notes form part of these financial statements.

Consumer Action Law Centre Ltd

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Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,843,254	3,387,880
Trade and other receivables	6	308,721	11,717
Other assets	7	128,540	4,433
TOTAL CURRENT ASSETS		3,280,515	3,404,030
NON-CURRENT ASSETS			
Property, plant and equipment	8	75,998	110,664
Intangible assets	9	-	-
TOTAL NON-CURRENT ASSETS		75,998	110,664
TOTAL ASSETS		3,356,513	3,514,694
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	307,571	271,096
Deferred income	11	349,269	244,047
Employee benefits	12	446,817	345,437
TOTAL CURRENT LIABILITIES		1,103,657	860,580
NON-CURRENT LIABILITIES			
Employee benefits	12	30,968	70,763
TOTAL NON-CURRENT LIABILITIES		30,968	70,763
TOTAL LIABILITIES		1,134,625	931,343
NET ASSETS		2,221,888	2,583,351
EQUITY			
Retained earnings		2,221,888	2,583,351
TOTAL EQUITY		2,221,888	2,583,351

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	2,583,351	2,583,351
Deficit attributable to the entity	(361,463)	(361,463)
Balance at 30 June 2020	<u>2,221,888</u>	<u>2,221,888</u>

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	3,010,950	3,010,950
Deficit attributable to the entity	(427,599)	(427,599)
Balance at 30 June 2019	<u>2,583,351</u>	<u>2,583,351</u>

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Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		5,320,667	5,419,784
Payments to suppliers and employees		(5,879,594)	(6,068,390)
Interest received		48,356	93,435
Net cash provided by/(used in) operating activities	17	(510,571)	(555,171)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(34,055)	(30,229)
Net cash provided by/(used in) investing activities		(34,055)	(30,229)
Net increase/(decrease) in cash and cash equivalents held		(544,626)	(585,400)
Cash and cash equivalents at beginning of year		3,387,880	3,973,280
Cash and cash equivalents at end of financial year	5	2,843,254	3,387,880

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Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Consumer Action Law Centre Ltd as an individual entity. Consumer Action Law Centre Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Consumer Action Law Centre Ltd is Australian dollars.

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 Charities and Not-for-profits Commission Act 2012.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

For prior 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 Company, and specific criteria relating to the type of revenue as noted below have 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 entity 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 entity 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.

Interest revenue

Interest is recognised using the effective interest method.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(b) Revenue and other income

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 Company 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 Company 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 Company are:

Grant income - AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when each performance obligation is satisfied.

The performance obligations are varied based on the agreed but may include legal advice or assistance, law reform or the provision of independent debt advice to consumers.

Each Performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Specific revenue streams

Grant income - AASB 1058

Amounts arising from grants within the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised the income is recognised for any remaining asset value at the time that the asset is received.

Other income

Other income, including from donations, is recognised on an accruals basis when the Company is entitled to it.

(c) 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.

(d) Property, plant and equipment

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

Depreciation

Property, plant and equipment is depreciated on a straight-line basis over each asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Furniture, Fixtures and Fittings	5 years
Office Equipment	5 years
Computer Equipment	4 years
Leasehold improvements	5 years
Telephone System	4 years

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

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company 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).

Impairment of financial assets

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

Financial assets at amortised cost

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

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

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

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(f) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(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) Leases

For prior year

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.

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies

(h) Leases

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 Company'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 Company'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.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Company'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.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) Economic dependence

Consumer Action Law Centre Ltd is dependent on the ongoing receipt of Federal and State Government grants to ensure the ongoing continuance of its programs. At the date of this report the directors have no reason to believe that this financial support will not continue.

3 Critical Accounting Estimates and Judgments

The directors 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.

Key judgements

The directors make judgements concerning deferrals of grant revenue depending on the stage of completion of associated projects.

Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
Revenue from (non-reciprocal) government grants and other grants:		
- Core grants VLA State	1,248,965	1,178,248
- VLA State - utilised surplus/(deficit) in current year	1,569	51,562
- Core grants VLA commonwealth	352,995	342,292
- Core grants CAV	2,143,248	2,054,868
- Core grants others	1,215,198	1,034,184
- Non core grants	-	90,952
	4,961,975	4,752,106
Total Revenue	4,961,975	4,752,106

Note: the \$1,215,198 core grants other balance includes income of \$51,872 received from VLA for CLCAF and VF projects.

	2020	2019
	\$	\$
Other Income		
- Interest	48,356	93,435
- Consulting and sitting fees	42,368	28,411
- Refunds and reimbursements	33,213	175,561
- rental income	87,198	71,453
	211,135	368,860

5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	2,843,254	3,387,880

6 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	286,091	9,328
Prepayments	22,630	2,389
	308,721	11,717

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.

Consumer Action Law Centre Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2020

7 Other Assets

	2020	2019
	\$	\$
CURRENT		
Accrued income	128,540	4,433

8 Property, plant and equipment

	2020	2019
	\$	\$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	5,561	5,561
Accumulated depreciation	(5,510)	(5,035)
Total furniture, fixtures and fittings	51	526
Office equipment		
At cost	20,294	20,294
Accumulated depreciation	(19,518)	(16,361)
Total office equipment	776	3,933
Computer equipment		
At cost	93,891	59,837
Accumulated depreciation	(60,911)	(59,174)
Total computer equipment	32,980	663
Leasehold Improvements		
At cost	230,243	230,243
Accumulated amortisation	(226,394)	(179,157)
Total leasehold improvements	3,849	51,086
Telephone system		
At cost	130,580	130,580
Accumulated depreciation	(92,238)	(76,124)
Total telephone system	38,342	54,456
Total plant and equipment	75,998	110,664
Total property, plant and equipment	75,998	110,664

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Property, plant and equipment

(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, Fixtures and Fittings	Office Equipment	Computer Equipment	Leasehold Improvements	Telephone System	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2020						
Balance at the beginning of the year	526	3,933	663	51,086	54,456	110,664
Additions	-	-	34,055	-	-	34,055
Depreciation expense	(475)	(3,157)	(1,738)	(47,237)	(16,114)	(68,721)
Balance at the end of the year	51	776	32,980	3,849	38,342	75,998

9 Intangible Assets

	2020	2019
	\$	\$
Computer software		
Cost	56,250	56,250
Accumulated amortisation	(56,250)	(56,250)
Net carrying value	-	-

10 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	82,314	10,268
Deposits	4,941	4,941
Sundry payables and accrued expenses	220,316	148,914
Other payables	-	106,973
Total trade and other payables	307,571	271,096

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.

11 Deferred Income

	2020	2019
	\$	\$
CURRENT		
Other deferred income	349,269	244,047

Notes to the Financial Statements

For the Year Ended 30 June 2020

12 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Provision for long service leave	186,306	174,524
Provision for annual leave	260,511	170,913
	<u>446,817</u>	<u>345,437</u>
NON-CURRENT		
Provision for long service leave	<u>30,968</u>	<u>70,763</u>

13 Leasing Commitments

Operating leases

	2020	2019
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	41,100	491,047
- between one year and five years	-	41,100
	<u>41,100</u>	<u>532,147</u>

The property lease commitment is a non-cancellable operating lease with a term of five years. Increases in lease commitments will occur at a rate of 4% over the previous year's rent in accordance with the agreement.

14 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 171,116 (2019: \$ 170,644).

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019:None).

16 Related Parties

The company's related parties comprise its board members and key management personnel, including the entities controlled by them.

No related party transactions arose during the financial year.

Notes to the Financial Statements

For the Year Ended 30 June 2020

17 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Deficit for the year	(361,463)	(427,599)
Non-cash flows in profit:		
- depreciation	68,721	62,101
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(400,870)	44,405
- (increase)/decrease in other assets	(20,241)	4,900
- increase/(decrease) in trade and other payables	141,697	(239,816)
- increase/(decrease) in employee benefits	61,585	838
Cashflows from operations	<u>(510,571)</u>	<u>(555,171)</u>

18 Events after the end of the Reporting Period

The financial report was authorised for issue on 18 September 2020 by the Board of Directors.

COVID19 and its associated economic impacts remain uncertain. The Company continues to closely monitor developments with a focus on potential and operational impacts. The Directors, on the date of approving these financial statements, are of the view the effects of COVID-19 do not change the significant estimates, judgments and assumptions used in the preparation of these financial statements, however note that the situation is continuing to evolve.

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.

19 Statutory Information

The registered office and principal place of business is:

Consumer Action Law Centre Ltd
Level 6, 179 Queen Street
Melbourne Victoria 3000

Consumer Action Law Centre Ltd

ABN: 37 120 056 484

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 22, are in accordance with the Australian Charities and Not-for-profit Commission Act 2012, and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Director



Dated 12 October 2020

Consumer Action Law Centre Ltd

Independent Audit Report to the members of Consumer Action Law Centre Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Consumer Action Law Centre Ltd (the Company), 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 directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of the Australian Charities and Not-for-profit Commission Act 2012, including:

- (i) giving a true and fair view of the Company'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 the Australian Charities and not-for-profit Regulations 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 Company 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 confirm that the independence declaration required by the Australian Charities and Not-for-profit Regulations 2013, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

Consumer Action Law Centre Ltd

Independent Audit Report to the members of Consumer Action Law Centre Ltd

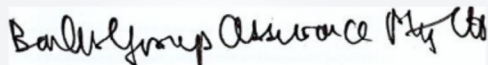
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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.

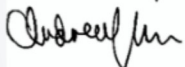
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company number 294178 (ACN 115 749 598)



Andrew Fisher FCA, Partner
Registration number 306364

Melbourne, Australia
12 October 2020

801 Glenferrie Road Hawthorn Vic (Locked Bag 50 Hawthorn Vic 3122) Australia T +61 3 9810 0700 F +61 3 9815 1899 www.banksgroup.com.au