

SOUTH EAST AUSTRALIAN ABORIGINAL
JUSTICE SERVICES LIMITED
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020



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DIRECTORS' REPORT

Your Directors present this report, together with the audited financial statements of the Cooperative for the year ended 30th June 2020.

DIRECTORS

The names of the Directors in Office at any time during or since the end of the year are:

Desmond Morgan (Chairperson) Pam Aplin

Irene Morris

Lionel Bamblett

Amanda Dunstall

Larry Kanoa

Leigh Saunders

Eddie Cubillo

Sue-Anne Hunter

Cienan Muir

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

The following person held the position of company secretary at the end of the financial year: Lorraine Patten.

OBJECTIVES

Meet the legal needs of the Aboriginal and/or Torres Strait islander community in Victoria and Tasmania through legal services:

- Undertake related Services which may help Aboriginal and Torres Strait Islander people;
- Run the VALS and TACLS Legal Services effectively, efficiently and strategically; and
- Work co-operatively and collaboratively with other organisations for the benefit of clients.

STRATEGY FOR ACHIEVING OBJECTIVES

Provide high quality legal representation to every Aboriginal and/or Torres Strait Islander person who seeks our assistance and fits the criteria for Service - in relation to Civil, Criminal and Family Law matters;

- work with key people such as members of the Aboriginal and/or Torres Strait Islander community, ministers, Government departments and Government committees through submissions, face to face meetings and hearings, on current and proposed legislation and policy and conduct proactive advocacy;
- make sure that our staff feel valued, supported and well informed through regular staff meetings, training, study assistance, policies that encourage work-life balance, mentoring opportunities and induction programs; and
- work with a range of mainstream and Aboriginal and/or Torres Strait Islander controlled organisations, with a focus on ensuring clients receive holistic support and assistance as required.



PRINCIPAL ACTIVITIES

Deliver a 24 hours, 7 days a week reactive legal service to the Victorian Aboriginal and/or Torres Strait Islander community by VALS; Tasmanian Aboriginal and/or Torres Strait Islander community by TACLS and the peak body work of NATSILS; Also policy/law reform and community legal education.

PERFORMANCE MEASURES

Provide highly efficient legal and related services consistent with contractual obligations, legal professional, practical and ethical obligations and the relative needs of individual clients.

SURPLUS/(DEFICIT)

For the year, the Co-operative earned a net surplus of \$872,461 after a depreciation charge of \$436,896.

SIGNIFICANT CHANGES

VALS undertook the operation of Tasmanian Aboriginal Community Legal Service TACLS, as well as managing the NATSILS program in 2017. Other than these, not any other significant changes in the company's state of affairs occurred during the financial year.

AFTER BALANCE DATE EVENTS

A matter has continued to evolve since 30 June 2020 that has significantly affected, or may significantly affect:

- (a) the entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

The COVID19 pandemic is likely to induce significant changes in the state of affairs of the Cooperative during the financial period ended 30 June 2021. The Board of Directors will take all necessary measures to preserve capital and shepherd the company through this uncertain period.

FUTURE DEVELOPMENTS AND RESULTS

Likely developments in the operations of the company in future financial years and the expected results of these developments have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the economic entity.

OPTIONS

No options over issued shares or interest in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.



INFORMATION ON DIRECTORS

Des Morgan: Chairperson

Des is a Yorta man from the Murray/Goulburn river area of Victoria/NSW. He has been an active member of the Aboriginal community since 1984, having served on various local and state organisations, Boards of Management Inc, Legal Service, Aborigines Advancement League, VACSAL, VALEAI. He also served a six year period as an ATSIC Regional Councilor and past Chair of NGERNDA (Echuca) for several years and a member of Yorta Nations Aboriginal Corporation.

Pam Aplin: Director

Deputy Executive Officer, Victorian Aboriginal Community Services Association Limited. Completed Diploma of Frontline Management with Swinburne Governance Training.

Amanda Dunstall: Director

Amanda is a Gunditjmara woman who is currently undertaking a Bachelor of Social work. Amanda has previously worked for VACCA, VALS and Victoria Police. Amanda is currently employed with VACSAL. Amanda has through her tireless work shown her passionate about social justice for Koorie people.

Larry Kanoa: Director

Larry has been actively involved in Aboriginal affairs since 1983. During this time, he has represented the Aboriginal community at local, state and national forums. These include BADAC, RAJAC, AJF, VAEAI, VAAL, VALS and ATSIC. He is also a past employee of VALS.

Eddie Cubillo: Director

Eddie is an Aboriginal man with strong family links in both the urban and rural areas throughout the Northern Territory. His mother is of Larrakia/Wadjigan descent and his father is Central Arrente. Mr Cubillo's family has experienced the intergenerational effects of the policy of forced removal of children of mixed descent from their family and country.

Sue-Anne Hunter: Director

Sue-Anne Hunter is a proud Wurundjeri and Ngurai Illum Wurrung woman, committed to self determination and advocating for the rights of all First Nations peoples.

Cienan Muir: Director

Cienan Muir is a Yorta and Ngarrindjeri man and an advocate for ensuring our young people have the voice and the opportunity to make the changes they want to see in the future

Leigh Saunders: Director

Leigh Saunders is a proud Bangerang and Yorta man. He grew up in Mooroopna, later moving to Melbourne to complete VCE. Leigh worked for a number of years with Victorian Aboriginal Child Care Agency as the Koorie Cultural Placement and Support Worker before moving over to VACSAL as the project officer for Aboriginal Gambling Awareness Service.



Amanda Dunstall: Director

Amanda is a Gunditjmara woman who is currently undertaking a Bachelor of Social Work. Amanda has previously worked for VACCA, VALS and Victoria Police. Amanda is currently employed with VACSAL. Amanda has through her tireless work shown her passionate about social justice for Koorie people.

Irene Morris: Director

Irene is a Wurundjeri Elder who has been employed within Aboriginal Community Controlled Organisations for nearly 30 years. Irene has provided support and education on corporate governance structures and corporate responsibilities across the state to, Aboriginal community organisations, co-operatives and sporting groups. Irene has a passion for youth education and welfare, ensuring that young people are receiving the opportunities in life that they deserve.

MEETING OF DIRECTORS

During the financial year, seven meetings were held. Attendances were:

	No. of eligible to attend	No. attended
Desmond Morgan	7	7
Pam Aplin	7	3
Amanda Dunstall	7	6
Larry Kanoa	7	4
Irene Morris	7	5
Eddie Cubillo	4	2
Sue-Anne Hunter	4	2
Cienan Muir	0	0
Lionel Bamblett	2	0
Leigh Saunders	2	0

INDEMNIFYING OFFICERS OR AUDITOR

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the company.

PROCEEDINGS ON BEHALF OF THE ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party of any such proceedings during the year.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for this financial year has been received and can be found on the following page of this report

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

Signed at Preston on the 29th Day of October 2020

Uncle Des Morgan
Director

Uncle Larry Kanoa
Director



TOWARDS A VISION SHARED

127 Paisley Street Footscray VIC 3011 Australia Phone (03) 9680 1000 Fax (03) 9689 6605 www.collinsco.com.au

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SOUTH EAST AUSTRALIAN ABORIGINAL JUSTICE SERVICES LIMITED A.B.N. 45 926 675 900

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2020 there have been:

- i. no contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- ii. No contravention of any applicable code of professional conduct in relation to the audit.

Frederik Ryk Ludolf Eksteen CA ASIC Auditor Registration Number 421448

Collins & Co Audit Pty Ltd 127 Paisley Street FOOTSCRAY VIC 3011

Dated this 29th day of October 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

Note 10,605,668 2 12,599,162 **Revenue including Government Grants** 15,000 29,400 3 Auditors' remuneration 304,577 436,896 Depreciation and amortisation expenses 6,281,238 7,214,374 Employee benefits expenses 231,586 255,536 **Outside Briefs** 3,776,969 2,976,274 Other expenses 8,142 27,926 Finance Costs - Interest 9,831,217 11,726,701 **Total Expenditure** 872,461 774,451 Surplus (Deficit) before income tax

No income Tax is payable by the Entity.

attributable to members of the entity

Total comprehensive income for the year

Surplus (Deficit) after income tax

Other comprehensive income

Income Tax

As members have no right to share in profit, no earnings per share information is presented.

The above statement should be read in conjunction with the attached notes to the financial statements and the audit report.

774,451

774,451

30 June 2019

30 June 2020

872,461

872,461

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	30 June 2020 \$	30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents	5	9,771,311	6,978,148
Trade and other receivables	6	1,391,821	1,434,692
Other current assets	7	32,706	-
TOTAL CURRENT ASSETS		11,195,838	8,412,840
NON-CURRENT ASSETS			
Property, plant and equipment	8	6,701,932	6,481,029
TOTAL NON-CURRENT ASSETS		6,701,932	6,481,029
TOTAL ASSETS		17,897,770	14,893,869
CVDD SAME A VA DAY MENEG			
CURRENT LIABILITIES Trade and other payables		657,425	1,152,728
Grant income carried forward	10	6,951,037	4,871,712
Other Borrowings	13	67,611	# 1
Short-term provisions payable	9	573,122	407,223
TOTAL CURRENT LIABILITIES		8,249,195	6,431,663
NON-CURRENT LIABILITIES			
Other Long Term Borrowings	13	174,117	-
Long-term provisions payable	9	565,379	425,588
Long-term contingency provision	14	181,973	181,973
TOTAL NON-CURRENT LIABILITIES		921,469	607,561
TOTAL LIABILITIES		9,170,664	7,039,224
NET ASSETS		8,727,106	7,854,645
MEMDEDS FOIHTV			
MEMBERS EQUITY Reserves	11	6	6
Retained earnings		8,727,100	7,854,639
TOTAL MEMBERS EQUITY		8,727,106	7,854,645

The above statement should be read in conjunction with the attached notes to the financial statements and the audit report.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Share capital \$	Retained Earnings (Deficit) \$	Reserves \$	Total \$
Balance at 30 June 2018	-	7,080,188	6	7,080,194
Surplus attributable to members for the year ended 30 June 2019		774,451	-	774,451
Balance at 30 June 2019	-	7,854,639	6	7,854,645
Surplus attributable to members for the year ended 30 June 2020	-	872,461	, .	872,461
Balance at 30 June 2020	-	8,727,100	6	8,727,106

The above statement should be read in conjunction with the attached notes to the financial statements and the audit report.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

Note 30 June 2020 30 June 2019

	5	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts of Grants		14,096,563	11,454,424
Legal costs recovered		87,811	42,331
Other Income		882,296	80,804
Donations		409,415	20,295
Interest received		104,196	99,480
Payments to suppliers, employees & disbursements		(12,122,443)	(10,927,023)
Net cash generated from (used in) operating activities	12	3,457,838	770,311
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of property, plant & equipment Purchase of property, plant & equipment		65,136 (729,811)	24,745 (253,123)
Net cash generated from (used in) investing activities	8	(664,675)	(228,378)
		0.000 2.000 2	# 44.000
Net Increase (decrease) in cash held		2,793,163	541,933
Cash at the beginning of the financial period		6,978,148	6,436,215
Cash at the end of the financial period	5	9,771,311	6,978,148

The above statement should be read in conjunction with the attached notes to the financial statements and the audit report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The financial statements cover South East Aboriginal Justice Services Limited (SEAAJSL) as an individual entity. It is a company incorporated and domiciled in Australia and is recognised as a Not-for-profit public benevolent institution established for community service purposes as such it is exempt from income tax.

1. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Reporting basis and conventions

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs modified where applicable by the measurement of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Other revenue is recognised when it is received or when the right to receive payment is established.

Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

All revenue is stated net of the amount of Goods and Services Tax (GST)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparative Figures

In accordance with the Accounting Standards, comparative figures from the previous audited financial report for year ended 30 June 2019 are provided where appropriate.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates - Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of this reporting period.

Income Taxation

The entity is endorsed by the Australian Charities and Not-for-profits Commission as a Public Benevolent Institution. Therefore no income tax is payable by the entity.

Property, Plant and Equipment

The entity has chosen to adapt the Cost Model under paragraph 30 of AASB 116 therefore property, plant and equipment is maintained at cost in the accounts less accumulated depreciation.

Property

Freehold land is reported at cost.

Leased Assets

For any new contracts entered on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Depreciation

The depreciable amount of Buildings, Motor Vehicles, Office Furniture and Equipment and Plant and Equipment are depreciated on a written down value (WDV) or a straight line basis over their useful lives to the cooperative commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation of the right-of-use assets is on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets

Depreciation

Buildings

2.5% Straight line

Motor Vehicles

18.75% Written Down value

Plant & equipment

20% Written Down value

Computer & I.T. equipment

40% Written Down value

Right-of-use Asset

Straight line over useful life

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in insubstance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Classification and subsequent measurement of financial assets

Trade receivables that do not contain a significant financing component are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs.

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- · amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both,

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding .

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments.

Financial liabilities

Non derivative financial liabilities, such as trade and other payables, are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

Impairment

Under AASB 9, impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Provisions

Provisions are recognised when the entity 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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Unspent Grant Funds

Unspent Grant Funds available as revenue or liable to be returned to the grant provider in the following year are recognised as a current liability in the balance sheet. They are not treated as an operating surplus or profit.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

New, revised or amending Accounting Standards and Interpretations adopted

The entity has adopted all of the new, revised or amending Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The entity's assessment of the impact of these new accounting standards most relevant to the entity are set out below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative and stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable price exists; recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. The entity will adopt this standard from 1 January 2019 but the impact of its adoption is yet to be assessed by the entity.

Accounting for Leases under AASB 16

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from AASB 117 and has not applied AASB 16 to arrangements that were previously not identified as lease under AASB 117.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Accounting for Leases under AASB 16 (continued)

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 5%.

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application for future accounting periods. The entity has decided against early adoption of these standards.

2	Revenue	30 June 2020	30 June 2019
		\$	\$
	Operating Activities		
	Grant income		
	Attorney General Department		
	VALS	5,405,095	4,974,190
	TACLS	2,550,812	2,567,423
	NATSILS	313,000	395,000
	NATSILS - Legal Advisory Service - Disability	1,615,885	
		9,884,792	7,936,613
	VIC Department of Justice	2,646,031	2,453,094
	VIC Other Departments	210,000	789,376
		2,856,031	3,242,470
	- plus unspent grants brought forward	4,871,712	3,744,133
	- plus grants received in advance	531,000	322,447
	- less unspent grants carried to future period	(6,951,037)	(4,871,712)
	- less unspent grants carried to luttile period	(1,548,325)	(805,132)
	Grant income	11,192,498	10,373,951
	Legal aid income	77,988	38,483
	Legal costs recovered	1,840	
	Total revenue from operating activities	11,272,326	10,412,435
	Other Revenue	242.024	70.450
	- Other income	813,224	73,458
	- donations	409,415	20,295
	- interest received	104,196	99,480
	Total other revenue	1,326,835	193,233
	Total revenue	12,599,162	10,605,668

		30 June 2020	30 June 2019
3	Remuneration of Auditor	\$	\$
	During the financial year the following fees were paid or paya	ble for services prov	vided by:
	Frederik R. L. Eksteen		
	Auditing of the financial statements and acquittals Other services	15,000 	-
	E Townsend & Co		
	Auditing of the financial statements and acquittals Other services	-	29,400
4	Revenue and Expense items		
	Bad and doubtful debts		
	There were no bad debts provisions made for the reporting pe	eriod (2019: \$Nil).	
	Operating Lease expenses Operating lease, contracted lease payments	192,097	213,302
5	Cash and Cash Equivalents Reconciliation of cash		
	Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:		
	Current Assets Cash on Hand	311	1,078
	Cash at Bank Recurrent Term Deposit Cash Management Salary packaging Emergency Relief Externally Controlled Funds	419,136 2,000,000 7,351,864 - -	3,823,984 - 3,153,066 10 9
		9,771,311	6,978,148

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6	Trade and Other Receivables	30 June 2020 \$	30 June 2019 \$
	Current		
	Trade Debtors	1,218,053	1,301,053
	Less: Provision for Impairment of receivables	-	-
	Other receivables	173,768	133,639
		1,391,821	1,434,692

Credit risk - Trade and Other Receivables

The entity does not have any material credit risk to any single receivable or group of receivables. The following table details the entity's trade and other receivables exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the entity and the debtor party. A provision for impairment is assessed as mentioned above.

An assessment has been made that both debts within trading terms and debts that have not been impaired will be received.

There are no financial assets that would have been impaired or past due, had they not been renegotiated.

	Total	Within trading terms	Past due but not impaired <30days	Past due but not impaired 31-90 days	Past due but not impaired >90 days
	\$	\$	\$	\$	\$
2020				100 DOC 12 17 12 12	
Trade and term receivables	1,218,053	583,747	-	381,146	253,160
Other receivables	173,768	173,768	•	•	-
Total	1,391,821	757,515	0	381,146	253,160
2019					
Trade and term receivables	1,301,053	340,669	658,924	300,000	1,460
Other receivables	133,639	133,639	•	-	•
Total	1,434,692	474,308	658,924	300,000	1,460

7	Other Current Assets	30 June 2020 \$	30 June 2019
	Current	32,706	_
	Prepayments		
		32,706	
8	Property, Plant and Equipment	30 June 2020 \$	30 June 2019 \$
	Land		
	- at cost	4,117,566	4,117,566
	Total Land	4,117,566	4,117,566
	Buildings		
	- At cost	1,794,602	1,708,537
	Less: Accumulated depreciation	(316,744)	(274,030)
	Total Buildings	1,477,858	1,434,507
	Total Land and Buildings	5,595,424	5,552,073
	Motor Vehicles at cost	589,272	585,217
	Less: Accumulated depreciation	(199,275)	(241,802)
	Total Motor Vehicles	389,997	343,415
	Office Furniture and Equipment at cost	245,561	259,483
	Less: Accumulated depreciation	(156,535)	(148,712)
	Total Furniture & Equipment	89,026	110,771
	Plant & Equipment – at cost	404,658	412,358
	Less: Accumulated depreciation	(231,736)	(199,579)
	Total Plant & Equipment	172,922	212,779
	Computer equipment at cost	556,845	535,072
	Less Accumulated depreciation	(332,388)	(273,081)
	Total Computer equipment	224,457	261,991
	Right-of-use Asset at cost	302,931	-
	Less Accumulated depreciation	(72,825)	-
	Total Computer equipment	230,106	0
	Total Property, Plant and Equipment	6,701,932	6,481,029

to be and deposit on the Management Laboratory of the contract	The Company of the Company	the state of the s						
Movement in carrying amounts for each o	class of proper	ty, plants and	equipment :					
	Land	Building	Motor Vehicle	Furniture & Fittings	Plant & Equipment	Computer Equipment	Right-of-use Asset	TOTAL
Carrying amount at 30 June 2018	4,117,566	1,477,220	453,557	131,992	255,589	126,586		6,562,510
New Acquisition		-		5,074	10,248	237,801		253,123
Disposal/Traded		-	(27,514)		-	(2,513)	-	(30,027)
Depreciation	-	(42,713)	(82,628)	(26,295)	(53,058)	(99,883)	-	(304,577)
Carrying amount at 30 June 2019	4,117,566	1,434,507	343,415	110,771	212,779	261,991	•	6,481,029
New Acquisition		86,065.00	185,202		2,914	81,482	374,148	729,811
Disposal/Traded	-		(72,012)	.5	•	-	-	(72,012)
Depreciation		(42,714)	(66,608)	(21,745)	(42,771)	(119,016)	(144,042)	(436,896)
Carrying amount at 30 June 2020	4,117,566	1,477,858	389,998	89,026	172,922	224,457	230,106	6,701,932
Provisions Payable Short Term Provisions Payable Employee Entitlements - Annual Leave Employee Entitlements - Long Service Leave		30 June 2020 \$ 496,569 76,553		30 June 2019 \$ 346,119 49,193				
Employee Entitlements – Other Entitlements	_	•	_	11,911				
Employee Benefits -Current		573,122		407,223				
Employee Benefits - Non current Employee Entitlements - Long Service Leave Employee Entitlements - Sick Leave Employee Entitlements - Other Entitlement Employee Benefits - Non current		111,759 453,620 - 565,379	-	90,981 334,607 - 425,588				
Employee Benefits -Non current	4	303,379		120,000				
Total provisions payable	-	1,138,501	-	832,811				
Opening balance Net provisions raised/(reduced) during year		832,811 305,690		1,093,519 (260,708)				
Balance at end of period	-	1,138,501		832,811				

		30 June 2020	30 June 2019 \$
10	Financial Liabilities		
	Current - Short term financial liabilities		4.054.540
	Grant funds unspent	6,951,037	4,871,712
		6,951,037	4,871,712
11	Issued Capital and Reserve		
	Statutory Reserve	6	6
12	Cash Flow Information Reconciliation of Cash Flow from Operations with Profit/(Lo	oss) after Income Tax 30 June 2020	30 June 2019
Profit	/(Loss) after tax		
	ash flows in profit after tax	872,461	774,451
	ash flows in profit after tax Depreciation & Amortization	436,896	304,577
	ash flows in profit after tax Depreciation & Amortization (Gain) / Loss on Disposal of property, plant & equipment		
	ash flows in profit after tax Depreciation & Amortization	436,896 6,876	304,577 5,282
	ash flows in profit after tax Depreciation & Amortization (Gain) / Loss on Disposal of property, plant & equipment Increase / (Decrease) in provisions	436,896 6,876	304,577 5,282
Non-ca	Depreciation & Amortization (Gain) / Loss on Disposal of property, plant & equipment Increase / (Decrease) in provisions Increase / (Decrease) in contingency Increase/(Decrease) in Grant carried forward es in assets and liabilities,	436,896 6,876 547,418 - 2,079,325	304,577 5,282 (798,215) - 1,127,579
Non-ca	Depreciation & Amortization (Gain) / Loss on Disposal of property, plant & equipment Increase / (Decrease) in provisions Increase / (Decrease) in contingency Increase/(Decrease) in Grant carried forward es in assets and liabilities, Decrease/(Increase) in receivables	436,896 6,876 547,418 - 2,079,325 42,871	304,577 5,282 (798,215) - 1,127,579
Non-ca	Depreciation & Amortization (Gain) / Loss on Disposal of property, plant & equipment Increase / (Decrease) in provisions Increase / (Decrease) in contingency Increase/(Decrease) in Grant carried forward es in assets and liabilities,	436,896 6,876 547,418 - 2,079,325	304,577 5,282 (798,215) - 1,127,579

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13	Lease Liabilities	30 June 2020 \$	30 June 2019 \$
	Current		
	Lease liability - leased premises	67,611	-
		67,611	-
	Non-current	17/117	
	Lease liability - leased premises	174,117	
		174,117	
	Capital Expenditure commitments		
	Capital Expenditure commitments contracted for: - Plant & Equipment purchases - Capital Expenditure projects		
	Payable		
	 no longer than 1 year longer than 1 year but not longer than 5 years grater than 5 years 		
14	Contingent Liabilities & Contingent Assets		
	Commonwealth Government for Caveat on property	181,973	181,973
	Estimates of the potential financial effect of contingent		
	liabilities that may become payable are:	181,973	181,973

Indemnity to Attorney-General's Department (AGD)

SEAAJS, under the AGD acceptance of grant offer terms and conditions, has agreed that AGD will not be liable for any debts incurred or obligations undertaken by the grantee "SEAAJS" and that SEAAJS indemnifies AGD against liability for actions, proceedings, claims, costs and expenses which it may suffer, incur or sustain in connection with, or arising in any way whatsoever out of making the Grant to the Grantee, or out of the Grantee carrying out, failing to carry out or departing from Grant Conditions. This indemnity establishes a contingent liability by SEAAJS to AGD should any matter mentioned arise.

No other Contingent Liabilities or Assets exist.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

15 Events After the Balance Sheet Date

The Victorian Aboriginal Legal Service was contracted by the Commonwealth Attorney Generals Department (AGD) to provide legal services to the Tasmanian Aboriginal community for a period of 5 years ceasing on 30 June 2020. These services were delivered by VALS through the Tasmania Aboriginal Community Legal Service (TACLS).

As at 1 July 2020 the delivery of these services will be undertaken by a Tasmanian based aboriginal controlled entity (Tasmanian Aboriginal Legal Service – TALS) and TACLS is no longer in operation.

The contractual arrangements associated with TACLS requires VALS to transfer/return the net assets held for TACLS back to the AGD.

As of 30 June 2020 the following net assets are held by TACLS, and will be returned to AGD post 1 July 2020.

	30 June 2020 \$
Financial assets	
Cash and cash equivalents	1,957,758
Property, plant and equipment	103,067
Total financial assets	2,060,825
Financial liabilities	
Grant income carried forward	1,957,688
Short-term provisions payable	177,814
Long-term provisions payable	22,665
Total financial liabilities	2,158,167

The financial report has been prepared in a year in which the COVID-19 pandemic has impacted many entities as well as the State of Victoria and whole of Australia.

The impact of COVID-19 on the financial statements 2019-20 financial statements has primarily been a reduction in expenditure, particular travel related.

As the impacts of COVID-19 and necessary restriction continue into 2020-21 across Victoria, VALS will continue to monitor the impacts on its activities and service delivery.

Apart from the above items, there have been no material non-adjusting events after the reporting date, nor has any information been received about conditions at reporting date that have not been included in this report, except for the events reported under note 14.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

16 Economic Dependence

The entity is economically dependent on Commonwealth and State Government departments for Grant Funding. If funds are not spent in accordance with Grant Conditions the departments can suspend future grants or reclaim all or part of the grant(s).

17 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans and borrowings and mortgages.

The totals for each category of financial instruments, measured in accordance with AASB 9 is as follows:-

	30 June 2020 \$	30 June 2019 \$
Financial assets		
Cash and cash equivalents	9,771,311	6,978,148
Trade and Other Receivables	1,391,821	1,434,692
Other current assets	32,706	#
Total financial assets	11,195,838	8,412,840
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	657,425	1,152,728
- Grant funds unspent	6,951,037	4,871,712
Total financial liabilities	7,608,462	6,024,440

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Financial risk management policies

The directors' overall risk management strategy is to assist the entity in meeting its financial targets, whilst minimising potential adverse effects or financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include credit risk policies and future cash flow requirements.

The entity does not have any derivative instruments at the end of the reporting period.

Specific Financial Risk Exposures and Management

The entity is not exposed to any financial risk such as credit risk, liquidity risk and interest rate risk, due to its safe and sound ratio of assets over liabilities.

(a) Credit risk

Credit risk is the risk that parties that owe money do not pay it.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The entity does not have any significant concentration of credit risk exposure to any single, or group, of counter-parties under financial instruments entered into by the entity. A profile of credit risk appears above under the Note 6 on 'Trade and Other Receivables'.

(b) Liquidity risk

Liquidity risk arises due the possibility that the entity might encounter difficulty in settling its own debts or other liabilities. The entity manages this risk by managing credit risk on amounts owed to it, monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Financial liability and financial asset maturity analysis

	Within 1	year 1 to 5 years		Over 5 years		Total		
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Financial liabilities due for payment							ī	
Trade and other payables (excluding employee benefit provisions and deferred income)	657,425	1,152,728	v			-	657,425	1,152,728
Grant funds unspent	6,951,037	4,871,712	-	-	-	-	6,951,037	4,871,712
Total expected outflows	7,608,462	6,024,440	-	-			7,608,462	6,024,440
Financial assets cash flows realisable								
Cash and cash equivalents	9,771,311	6,978,148	•	-	-	•	9,771,311	6,978,148
Trade and other receivables	1,391,821	1,434,692		¥	-	-	1,391,821	1,434,692
Total anticipated inflows	11,163,132	8,412,840	-	-	-	-	11,163,132	8,412,840
Net inflow (outflow) on financial instruments	3,554,670	2,388,400					3,554,670	2,388,400

(c) Market Risk

Interest rate risk

Exposure to interest rate risk arises whereby future changes in interest rates will affect future cash flows or the fair value of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in their market price.

(d) Foreign currency risk

The entity is not exposed to fluctuations in foreign currency.

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardized form other than listed investments.

The differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market to those instruments since their initial recognition by the entity. Most of these instruments which are carried at amortised cost (e.g. trade receivables, payables) are to be held until maturity and therefore their current net fair values bear little relevance to the entity.

As appropriate the net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18	Key Management Personnel Compensation						
		30 June 2020	30 June 2019				
		\$	\$				
	The total of remuneration paid to key management						
	personnel (KMP) of the entity during the period is as						
	follows	567,080	663,415				
	Short-term employee benefits	67,434	26,091				
	Post-employment benefits	-	-				
	Other long-term benefits	66,491	22,854				
	Termination benefits	-	-				

19 Related Party Transactions

There were no transactions with related parties during the current and previous financial year. There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

20 Registered Office

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

273 High Street Preston, Victoria, 3072





ABN: 45 925 675 900

Head Office

273 High St Preston, Victoria 3072. PO Box 52 Preston, Victoria 3072. DX 97208 Preston

Phone: 03 9418 5999

(24 H/rs)

Fax: 03 9418 5900 Free Call: 1800 064 865 Email: vels@vels.org.au

Baimsdale Office

Shop 13 Riviera Place 80 Main Street Baimsdale, Victoria 3875. PO Box 1060 Baimsdale, Victoria 3875.

Ballarati Office 403 Main Street Ballarati, Victoria 3350. PO Box 516 Ballarati, Victoria 3353

Mildura Office 1/71 Pine Avenue Mildura, Victoria, 3500. PO Box 10354 Mildura, Victoria 3502.

Manuell Office 20 George Street Manuell, Victoria 3840.

Shepparton Office
Unit 3, 262 Maude Street
Shepparton, Victoria 3630.
PO Box 1983
Shepparton, Victoria 3630.

Swen Hill Office 139A Campbell Street Swam Hill, Victoria 3585. PO Box 1319 Swan Hill, Victoria 3585. 29 October 2020

SOUTH EAST AUSTRALIAN ABORIGINAL JUSTICE SERVICES LIMITED

DIRECTORS' DECLARATION

The Board of Directors' of South East Australian Aboriginal Justice Services Limited declare that in the director's opinion:

- a) The financial statements and notes for the year ended 30 June 2020 satisfy the requirements of the Corporations Act 2001 and the Australian Charities and Not-forprofits Commission Act 2012.
- b) There are reasonable grounds to believe that the Entity is able to pay all of its debts as and when they become due and payable.

This statement is made in accordance with the Corporations Act and the subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Uncle Des Morgan

Director

Uncle Larry Kanoa

Director



TOWARDS A VISION SHARED

127 Paisley Street Footscray VIC 3011 Australia Phone (03) 9680 1000 Fax (03) 9689 6605

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SOUTH EAST AUSTRALIAN ABORIGINAL JUSTICE SERVICES LIMITED A.B.N. 45 926 675 900 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the accompanying financial report of South East Australian Aboriginal Justice Services Limited (the company), which comprises the statement of financial position as at 30 June 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Board of Directors.

In my opinion, the accompanying financial report of South East Australian Aboriginal Justice Services Limited is in accordance with Division 60 of the ACNC Act 2012, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance and cash flows for the year ended on 30 June 2020; and
- ii. complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-forprofits Commission Regulation 2013.

Basis of Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Company in accordance with the auditor independence requirements of the ACNC Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the ACNC Act 2012, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Corporation'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



TOWARDS A VISION SHARED

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Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the
 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 controls that I identify during my audit.

Frederik Ryk Ludolf Eksteen CA ASIC Auditor Registration Number 421448

Collins & Co Audit Pty Ltd, 127 Paisley Street, FOOTSCRAY VIC 3011

Dated this 29th day of October 2020