



Financial statements

For the Year Ended 30 June 2021

Social Security Rights Victoria Inc.
Reg No. A0015471X

Social Security Rights Victoria Inc

Reg No. A6015471X

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Social Security Rights Victoria Inc

Reg No. A0015471X

Statement by the Members of the Board of Management

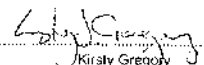
The Board of Management has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the Board of Management the financial report as set out on pages 1 to 14:

1. Presents fairly the results of the operations of Social Security Rights Victoria Inc as at 30 June 2021 and the state of its affairs for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Social Security Rights Victoria Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:

President 
Tom Cobban

Treasurer 
Kirsty Gregory

Dated this 29th day of October 2021

Social Security Rights Victoria Inc

Reg No. A0015471X

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021**

	2021 \$	2020 \$
Income		
Grant - Attorney General - Commonwealth	266,429	273,575
Grant - Attorney General - State	49,312	48,588
Project income	599,971	365,139
Interest received	1,100	1,558
Government assistance	50,000	50,000
	966,812	738,860
Expenditure		
Salaries	(672,137)	(455,619)
Superannuation contributions	(59,736)	(42,417)
Workcover	(5,340)	(2,629)
Annual leave expense	395	(9,137)
Long service leave	(6,296)	(5,167)
Staff related expenses	(13,222)	(12,399)
Premises	(28,044)	(29,929)
Office overheads	(35,801)	(13,393)
Communications	(13,074)	(8,925)
Finance & accounting	(22,955)	(20,149)
Insurance	(1,613)	(1,330)
Library & resources	(5,210)	(4,214)
Travel	(400)	(1,540)
Programme & planning	(88,260)	(70,460)
Depreciation	(2,846)	(5,605)
	(955,580)	(686,901)
Surplus for the year	11,232	51,959
Total comprehensive surplus for the year	11,232	51,959

The accompanying notes form part of these financial statements.

Social Security Rights Victoria Inc

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Statement of Financial Position
As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,144,912	563,388
Trade and other receivables	6	-	199,650
Prepayments		3,547	4,863
TOTAL CURRENT ASSETS		1,148,459	767,901
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,874	6,720
TOTAL NON-CURRENT ASSETS		3,874	6,720
TOTAL ASSETS		1,152,333	774,621
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	943,670	573,293
Employee benefits	9	89,100	92,997
TOTAL CURRENT LIABILITIES		1,032,770	666,290
TOTAL LIABILITIES		1,032,770	666,290
NET ASSETS		119,563	108,331
MEMBERS' FUNDS			
Retained surplus		119,563	108,331
TOTAL MEMBERS' FUNDS		119,563	108,331

The accompanying notes form part of these financial statements.

Social Security Rights Victoria Inc

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Statement of Changes in Members' Funds
For the Year Ended 30 June 2021

2021	Retained Surpluses \$	Total \$
Balance at 1 July 2020	108,331	108,331
Surplus for the year	11,232	11,232
Balance at 30 June 2021	119,563	119,563
2020		
Balance at 1 July 2019	56,372	56,372
Surplus for the year	51,959	51,959
Balance at 30 June 2020	108,331	108,331

The accompanying notes form part of these financial statements.

Social Security Rights Victoria Inc

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Statement of Cash Flows
For the Year Ended 30 June 2021

Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and funders	1,165,362	537,752
Payments to suppliers and employees	(584,938)	(338,324)
Interest received	1,100	1,558
Net cash provided by operating activities	5	581,524
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant, plant and equipment	-	(1,959)
Net cash (used in) investing activities	-	(1,959)
Net increase in cash and cash equivalents held	581,524	199,027
Cash and cash equivalents at beginning of year	563,388	364,361
Cash and cash equivalents at end of financial year	4	1,144,912
		563,388

The accompanying notes form part of these financial statements.

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Social Security Rights Victoria Inc

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Notes to the Financial Statements
For the Year Ended 30 June 2021

The financial statements cover Social Security Rights Victoria Inc as an individual entity. Social Security Rights Victoria Inc is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*.

The functional and presentation currency of Social Security Rights Victoria Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Board of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Associations Incorporation Reform Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

At inception of a contract, the Association assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Association the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the Association recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Association's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Association is reasonably certain to exercise and incorporate the Association's expectations of lease extension options.

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(b) Leases (continued)

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$10,000 or less) are recognised as incurred as an expense in the statement comprehensive income. Short-term assets comprise of office premises.

(c) Revenue and other income

In the previous financial year, revenue recognised in accordance with AASB 118 Revenue was measured at the fair value of the consideration received or receivable. The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Association and specific criteria have been met for each of the Association's activities.

Revenue recognised under AASB 15 is measured at the amount which the Association expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

Timing of Revenue Recognition

Revenue is recognised either at a point in time or over time, when (or as) the Association satisfies performance obligations by transferring the promised goods or services to its customers.

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income (continued)

If the Association satisfies a performance obligation before it receives the consideration, the Association recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

All revenue is stated net of the amount of goods and services tax (GST).

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Grant revenue

Grant revenue is recognised in profit or loss when the Association satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the Association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Government assistance

Government assistance has been received during the year under the Cash Flow Boost program. Payments under this program are recognised as revenue once the Association is entitled to receive the payments. A receivable is recognised at year end for any payments that the Association is entitled to that have not been received. Payments received are included as part of 'Government assistance' in the statement of comprehensive income.

Interest revenue

Interest revenue is recognised using the effective interest method.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

(e) Property, plant and equipment

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

Plant and equipment are measured using the cost model.

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(e) Property, plant and equipment (continued)

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets' useful life to the Association, commencing when the asset is ready for use.

(f) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

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

- amortised cost

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Notes to the Financial Statements For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

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

- financial assets measured at amortised cost
- debt investments measured at FVOCI

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

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

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

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial liabilities

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

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	2,586	3,356
Short-term deposits	1,141,680	558,298
DGR Trust Account	647	1,734
	<u>1,144,912</u>	<u>563,388</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	1,144,912	563,388
Balance as per statement of cash flows	<u>1,144,912</u>	<u>563,388</u>

5 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of surplus to net cash provided by operating activities:		
Surplus for the year	11,232	51,959
Non-cash flows in surplus:		
- depreciation	2,846	5,605
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	199,650	(199,550)
- (increase) / decrease in prepayments	1,316	(1,247)
- increase / (decrease) in trade and other payables	370,377	332,972
- increase / (decrease) in employee benefits	(3,897)	11,247
Cashflow from operating activities	<u>581,524</u>	<u>200,986</u>

6 Trade and Other Receivables

CURRENT

Trade receivables	-	199,650
	<u>-</u>	<u>199,650</u>

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.

Social Security Rights Victoria Inc

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Notes to the Financial Statements
For the Year Ended 30 June 2021

7 Property, plant and equipment

	2021	2020
	\$	\$
Furniture, fixtures and fittings		
At cost	21,091	21,091
Accumulated depreciation	(21,091)	(21,091)
Total furniture, fixtures and fittings	-	-
Office equipment		
At cost	19,072	19,072
Accumulated depreciation	(15,198)	(12,352)
Total office equipment	3,874	6,720
Computer equipment		
At cost	10,544	10,544
Accumulated depreciation	(10,544)	(10,544)
Total computer equipment	-	-
Total property, plant and equipment	3,874	6,720

8 Trade and Other Payables

CURRENT		
Unsecured liabilities		
Grant funding unspent for specific projects (non VLA)	314,208	140,142
Grant funding unspent (Worker Helpline/Family Violence Project/COVID-19 and Bushfire funding)	457,151	318,008
VLA Allowable Surplus	59,893	35,110
Other payables	112,418	80,033
	943,670	573,293

9 Employee Benefits

CURRENT		
Long service leave	50,338	53,841
Annual leave	38,762	39,156
	89,100	92,997

10 Contingencies

In the opinion of the Board of Management, the Association did not have any contingencies at 30 June 2021 (30 June 2020: None).

11 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Social Security Rights Victoria Inc

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Notes to the Financial Statements
For the Year Ended 30 June 2021

12 Economic Dependency

The Association is primarily funded by the Federal and State Attorney Generals Departments Community Legal Service Program - 44% of this year and 57% last year. This year, they have received additional grants from other donors as well as the cash flow boost which have placed less dependency on the program. However, without the continued support of the Departments, the Association would not be able to provide its valuable services to the community.

The Association has a funding agreement in place with the Departments until 30 June 2023 and there are no indications that these arrangements will be discontinued thereafter.

13 Statutory Information

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

Social Security Rights Victoria Inc
4th Floor, Fitzroy Town Hall
126 Moor Street
FITZROY VIC 3065

Independent Auditor's Report To the Members of Social Security Rights Victoria Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Social Security Rights Victoria Inc. (the association), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of Social Security Rights Victoria Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the association's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the auditor independence requirements and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter regarding basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board of Trustees' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report To the Members of Social Security Rights Victoria Inc.

Auditor's responsibility 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 the 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the committee's 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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



**Nexia Melbourne Audit Pty Ltd
Melbourne**

Dated: this 29th day of October 2021



**Andrew S. Wehrens
Director**



Social Security Rights Victoria

PO Box 4226 Fitzroy 3065

Legal Assistance Line (03) 9481 0355
or 1800 094 164 (Toll free outside Melbourne)
Mon-Fri, 9.00am-5.00pm. Closed 1.00-2.00pm

Administration Line (03) 9481 0299
Mon-Fri, 9.00am-5.00pm

Worker Help Line (03) 9481 0655
Mon-Fri, 9.00am-5.00pm

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**Social
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Victoria**