

# **Ballarat & Grampians Community Legal Service Inc.**

## **Financial Statements**

**For the Year Ended 30 June 2021**



Prepared by CountPro Pty Ltd  
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**Ballarat & Grampians Community Legal Service Inc.**

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**For the Year Ended 30 June 2021**

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**Ballarat & Grampians Community Legal Service Inc.**

**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2021**

	2021	2020
	\$	\$
<b>Community Legal Services Program</b>		
<b>Income</b>		
CLSP Funding - Commonwealth	360,204	309,712
CLSP Funding - State	436,088	218,800
CLSP Funding - FVP	122,848	101,020
COVID Government Grant	50,000	50,000
Social & Community Services Funding - Commonwealth	-	41,456
Social & Community Services Funding - State	-	109,876
Interest income	-	538
Donations	300	100
Other income	22,866	33,252
	<u>992,306</u>	<u>864,754</u>
<b>Expenses</b>		
Audit and accounting fees	23,182	21,937
Communications	6,760	7,832
Depreciation expense	48,045	66,203
Insurance	2,748	7,833
Interest expense on lease liability	45,538	64,743
Library and subscriptions	12,228	21,307
Minor equipment	-	904
Other employment expense	9,533	5,722
Occupancy costs	18,534	23,205
Overheads	12,434	15,006
Recruitment costs	1,380	475
Rent	127	150
Repairs and maintenance	5,952	1,527
Salaries	752,098	618,714
Staff training	3,877	2,985
Superannuation	64,497	61,919
Travel	1,505	4,600
Other expenses	3,665	17,252
	<u>1,012,103</u>	<u>942,314</u>
<b>Net deficit from Community Legal Services Program</b>	<u>(19,797)</u>	<u>(77,560)</u>

The accompanying notes form part of these financial statements.

**Ballarat & Grampians Community Legal Service Inc.**

**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2021**

	2021	2020
	\$	\$
<b>Other projects</b>		
<b>Income</b>		
Project funds received	366,923	256,894
COVID Government Grants	175,000	146,500
	<u>541,923</u>	<u>403,394</u>
<b>Expenses</b>		
Salaries	329,596	194,187
Depreciation expense	19,221	-
Interest expense on lease liability	17,925	-
Other project expenses	42,141	35,430
	<u>408,883</u>	<u>229,617</u>
	<u>133,040</u>	<u>173,777</u>
<b>Surplus before income tax</b>	113,243	96,217
Income tax expense	2(a) -	-
<b>Surplus for the year</b>	<u>113,243</u>	<u>96,217</u>
<b>Other comprehensive income, net of income tax</b>		
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>113,243</u>	<u>96,217</u>

The accompanying notes form part of these financial statements.

**Ballarat & Grampians Community Legal Service Inc.**

**Statement of Financial Position**

**As at 30 June 2021**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	3	<b>693,214</b>	336,029
Trade and other receivables	4	<b>1,459</b>	187,709
Other assets	5	<b>6,683</b>	6,736
		<b>701,356</b>	530,474
Non-current assets			
Property, plant and equipment	6	<b>55,252</b>	40,004
Right-of-use assets	7	<b>1,290,587</b>	1,343,735
		<b>1,345,839</b>	1,383,739
Total assets		<b>2,047,195</b>	1,914,213
<b>Liabilities</b>			
Current liabilities			
Trade and other payables	8	<b>59,768</b>	40,264
Lease liabilities	7	<b>36,138</b>	34,950
Employee benefits	9	<b>143,336</b>	115,370
		<b>239,242</b>	190,584
Non-current liabilities			
Lease liabilities	7	<b>1,304,584</b>	1,334,647
Employee benefits	9	<b>15,726</b>	14,582
		<b>1,320,310</b>	1,349,229
Total liabilities		<b>1,559,552</b>	1,539,813
Net assets		<b>487,643</b>	374,400
<b>Equity</b>			
Retained surplus		<b>487,643</b>	374,400
Total equity		<b>487,643</b>	374,400

The accompanying notes form part of these financial statements.

**Ballarat & Grampians Community Legal Service Inc.**

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2021**

	<b>Retained surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>2021</b>		
<b>Balance at 1 July 2020</b>	<b>374,400</b>	<b>374,400</b>
Surplus for the year	<b>113,243</b>	<b>113,243</b>
<b>Balance at 30 June 2021</b>	<b>487,643</b>	<b>487,643</b>
<b>2020</b>		
<b>Balance at 1 July 2019</b>	57,738	57,738
Surplus for the year	96,217	96,217
Adjustment to revenue as a result of adoption of AASB 15 and AASB 1058 at 1 July 2019	220,445	220,445
<b>Balance at 30 June 2020</b>	<b>374,400</b>	<b>374,400</b>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 30 June 2021**

	2021	2020
Note	\$	\$
<b>Cash flows from operating activities:</b>		
Receipts from customers	1,720,339	1,091,595
Payments to suppliers and employees	(1,241,590)	(992,246)
Interest received	-	538
Interest paid	(63,463)	(64,743)
Net cash provided by operating activities	10 <u>415,286</u>	<u>35,144</u>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	<u>(23,322)</u>	(8,580)
Net cash used in investing activities	<u>(23,322)</u>	(8,580)
<b>Cash flows from financing activities:</b>		
Repayments of lease liabilities	<u>(34,779)</u>	(33,203)
Net cash used by financing activities	<u>(34,779)</u>	(33,203)
Net increase / (decrease) in cash and cash equivalents held	357,185	(6,639)
Cash and cash equivalents at beginning of year	<u>336,029</u>	342,668
Cash and cash equivalents at end of financial year	3 <u><u>693,214</u></u>	<u><u>336,029</u></u>

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

The financial report covers Ballarat & Grampians Community Legal Service Inc. as an individual entity. Ballarat & Grampians Community Legal Service Inc. is a not-for-profit Association incorporated in Victoria under the Associations Incorporation Reform Act 2012 and registered as a charity under the Australian Charities and Non-for-profits Commission Act 2012.

### **1 Basis of preparation**

In the opinion of the Committee the Association is not a reporting entity since there are no users dependent on general purpose financial statements. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of members.

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 and AASB 1054 Australian Additional Disclosures.

### **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) Revenue and other income**

##### *Revenue from contracts with customers*

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 Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

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

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

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

##### *Grant revenue*

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. Where the agreement is not enforceable or does not contain sufficiently specific performance obligations, grant revenue is recognised on receipt.



## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **2 Summary of significant accounting policies**

#### **(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 payables 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.

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) 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.

#### **(e) Property, plant and equipment**

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

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

Assets are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### **Depreciation**

Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Association, 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.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	10% - 25%
Leasehold improvements	10%

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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **2 Summary of significant accounting policies**

#### **(f) 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.

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.

#### **(g) Leases**

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

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

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

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

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

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

#### **(h) Comparative amounts**

Comparatives are consistent with prior years, unless otherwise stated.

#### **(i) Economic dependency**

The Association is dependent on Victoria Legal Aid for the majority of its revenue used to operate the business. At the date of this report the Committee has no reason to believe that Victoria Legal Aid will not continue to support the Association over the next three years.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>3 Cash and cash equivalents</b>		
Cash on hand	196	-
Bank balances	<u>693,018</u>	336,029
	<u>693,214</u>	<u>336,029</u>
<b>4 Trade and other receivables</b>		
Trade receivables	1,235	161,150
GST refundable	-	23,389
Other receivables	<u>224</u>	3,170
	<u>1,459</u>	<u>187,709</u>
<b>5 Other assets</b>		
Prepayments	<u>6,683</u>	6,736
	<u>6,683</u>	<u>6,736</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021 \$	2020 \$
<b>6 Property, plant and equipment</b>		
Furniture and equipment		
At cost	119,494	96,172
Accumulated depreciation	<u>(70,123)</u>	<u>(62,837)</u>
	<u>49,371</u>	<u>33,335</u>
Leasehold improvements		
At cost	24,687	24,687
Accumulated depreciation	<u>(18,806)</u>	<u>(18,018)</u>
	<u>5,881</u>	<u>6,669</u>
Total property, plant and equipment	<u><u>55,252</u></u>	<u><u>40,004</u></u>

**(a) Movements in carrying amounts of property, plant and equipment**

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

	Furniture and equipment \$	Leasehold improvements \$	Total \$
<b>Year ended 30 June 2021</b>			
Balance at the beginning of year	33,335	6,669	40,004
Additions	23,322	-	23,322
Depreciation expense	<u>(7,286)</u>	<u>(788)</u>	<u>(8,074)</u>
<b>Balance at the end of the year</b>	<u><u>49,371</u></u>	<u><u>5,881</u></u>	<u><u>55,252</u></u>
<b>Year ended 30 June 2020</b>			
Balance at the beginning of year	24,462	14,100	38,562
Additions	8,580	-	8,580
Depreciation expense	(3,616)	(1,900)	(5,516)
Depreciation adjustment	3,909	(5,531)	(1,622)
<b>Balance at the end of the year</b>	<u><u>33,335</u></u>	<u><u>6,669</u></u>	<u><u>40,004</u></u>

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 7 Leases

#### Association as a lessee

The Association has a lease over the building at 5 Chancery Lane, Ballarat which commenced on 1 November 2018 for a term of five years. The lease has options for four further terms of five years each.

The Association has a lease over a photocopier which commenced on 25 February 2021 for a term of 5 years.

	2021	2020
	\$	\$
<b>(a) Right-of-use assets</b>		
Right-of-use asset over buildings	1,397,692	1,397,692
Less accumulated depreciation	<u>(114,709)</u>	<u>(57,262)</u>
	<u>1,282,983</u>	1,340,430
Right-of-use asset over plant and equipment	8,147	5,108
Less accumulated depreciation	<u>(543)</u>	<u>(1,803)</u>
	<u>7,604</u>	3,305
Total right-of-use assets	<u>1,290,587</u>	1,343,735

#### Movement in carrying amounts of right-of-use assets

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

	Buildings	Plant and Equipment	Total
	\$	\$	\$
<b>Year ended 30 June 2021</b>			
Balance at beginning of year	1,340,430	3,305	1,343,735
Additions	-	8,147	8,147
Depreciation expense	(57,447)	(1,745)	(59,192)
Reductions due to disposal of asset	-	(2,103)	(2,103)
<b>Balance at end of year</b>	<u>1,282,983</u>	<u>7,604</u>	<u>1,290,587</u>
<b>Year ended 30 June 2020</b>			
Balance at beginning of year	-	-	-
Initial recognition on adoption of AASB 16	1,379,857	5,108	1,384,965
Revaluation due to rental increase	17,835	-	17,835
Depreciation expense	<u>(57,262)</u>	<u>(1,803)</u>	<u>(59,065)</u>
<b>Balance at end of year</b>	<u>1,340,430</u>	<u>3,305</u>	<u>1,343,735</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 7 Leases

	2021	2020
	\$	\$
<b>(b) Lease liabilities</b>		
<i>Current</i>		
Lease liabilities	36,138	34,950
	<u>36,138</u>	<u>34,950</u>
<i>Non-current</i>		
Lease liabilities	1,304,584	1,334,647
	<u>1,304,584</u>	<u>1,334,647</u>
	<u><u>1,340,722</u></u>	<u><u>1,369,597</u></u>

#### Maturity analysis of lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
<b>2021</b>					
Lease liabilities	98,215	392,199	1,668,071	2,158,485	1,340,722
<b>2020</b>					
Lease liabilities	98,254	386,622	1,764,305	2,249,181	1,369,597

#### (c) Lease amounts in Statement of Comprehensive Income

The amounts recognised in the statement of comprehensive income relating to leases where the Association is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense on lease liability	63,462	64,743
Depreciation of right-of-use assets	59,192	59,065
	<u>122,654</u>	<u>123,808</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>8 Trade and other payables</b>		
Trade payables	3,992	4,005
Accrued expenses	37,970	36,259
GST payable	16,594	-
Paid parental leave	1,206	-
Other payables	6	-
	<u>59,768</u>	<u>40,264</u>
<b>9 Employee benefits</b>		
<i>Current</i>		
Annual leave	95,736	58,257
Long service leave	47,600	57,113
	<u>143,336</u>	<u>115,370</u>
<i>Non-current</i>		
Long service leave	15,726	14,582
	<u>15,726</u>	<u>14,582</u>
	<u>159,062</u>	<u>129,952</u>
<b>10 Cash flow information</b>		
Reconciliation of result for the year to cashflows from operating activities:		
Surplus for the year	113,243	96,217
Non-cash flows in result:		
- depreciation	67,266	66,203
- net gain on disposal of property, plant and equipment	(140)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	186,250	(176,015)
- (increase)/decrease in prepayments	53	1,860
- increase/(decrease) in trade and other payables	19,504	(6,988)
- increase/(decrease) in provisions	29,110	53,867
Cashflow from operations	<u>415,286</u>	<u>35,144</u>

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **11 Events after the end of the reporting period**

Subsequent to the end of the reporting period, the Australian economy has continued to be impacted by the COVID-19 pandemic. The Association has not been significantly impacted by the pandemic to the date of this report but, as the pandemic continues to affect the economic environment, uncertainty remains on the future impact of COVID-19 on the Association's operations.

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 Association, the results of those operations or the state of affairs of the Association in future financial years.

### **12 Association details**

The registered office of the Association is:

Ballarat & Grampians Community Legal Service Inc.  
5 Chancery Lane  
BALLARAT VIC 3350




**Ballarat & Grampians Community Legal Service Inc.**

**Committee Declaration**

The committee declares that in their opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Chairperson  .....  
Scott Sherritt

Executive Officer  .....  
Lisa Buckland

Dated: 13 October 2021

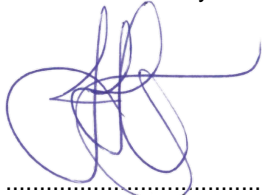
**Ballarat & Grampians Community Legal Service Inc.**

**Auditors Independence Declaration under Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 to the Committee of the Central Highlands Community Legal Centre Inc.**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CountPro Audit Pty Ltd.....  
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read "J. Hargreaves", is written over a horizontal dotted line.

Jason D. Hargreaves  
Director

20 Lydiard Street South, Ballarat, VIC 3350

Dated: 12 October 2021

## **Ballarat & Grampians Community Legal Service Inc.**

# **Independent Audit Report to the members of Ballarat & Grampians Community Legal Service Inc.**

### **Opinion**

We have audited the financial report of Ballarat & Grampians Community Legal Service Inc., the (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of 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 committee declaration.

In our opinion the financial report of Ballarat & Grampians Community Legal Service Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance for the year 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 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 (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 confirm that the independence declaration required by the ACNC Act, which has been given to the committee members of the Association, would be in the same terms if given to the committee members as at the time of this auditors report.

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

### **Emphasis of Matter - Basis of Accounting**

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 Association's financial reporting responsibilities under the ACNC Act. 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 the Committee**

Management of the Association is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. Management's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a 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, management are 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 the Committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Committee is responsible for overseeign the Association's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

## Ballarat & Grampians Community Legal Service Inc.

### Independent Audit Report to the members of Ballarat & Grampians Community Legal Service Inc.

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 management.
- Conclude on the appropriateness of management'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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with the Committee 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.

*CountPro Audit Pty Ltd*  
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read "Jason D. Hargreaves", is written over a dotted line.

Jason D. Hargreaves  
Director

20 Lydiard Street South, Ballarat, VIC, 3350

Dated: 14 October 2021