



## Special Purpose Financial Statements

Justice Connect

A.B.N. 54 206 789 276

30 June 2018

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# Directors' Report

Your directors submit the financial statements of the company for the financial year ended 30 June 2018.

## Directors

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

Name	Date of Appointment	Date of Retirement	Position	Directors' Meeting Attendance / Eligible to Attend		
				Board	Nominations Committee	Finance, Audit and Risk Committee
Mitzi Gilligan	1 Jul 2013	23 Nov 2017	Chairperson	2/2	2/2	
Carmel Mulhern	1 Jul 2013		Board Member	1/6		1/5
Geoff Rush	1 Jul 2013	23 Nov 2017	Board Member	0/1		2/2
Nicky Friedman	1 Jul 2013		Board Member	5/6	4/4	
Gordon Renouf	1 Jul 2013		Board Member	5/6	4/4	
Richard Wilson	1 Jul 2013		Board Member	5/6		5/5
Simon Lewis	26 Jun 2014		Board Member	6/6		5/5
Gillian Triggs	7 Dec 2017		Chairperson	2/4	1/1	
David Bardsley	7 Dec 2017		Board Member	3/4		2/3

## Principal Activities

Justice Connect builds a fairer and better society. We use the law to help people and community groups left behind by an unfair and complicated legal system.

## Review of Operations

The year ended 30 June 2018 saw Justice Connect undertake the following key changes:

- Appointment of Chris Povey as the Chief Executive Officer following the resignation of Fiona McLeay
- Appointment of Professor Gillian Triggs as Chairperson following the retirement of Mitzi Gilligan
- Appointment of Richard Wilson as the Chairperson of the Finance, Audit and Risk Committee following the retirement of Geoff Rush
- Finalisation of our strategy
- Commencement of the Domestic Building Legal Service in Victoria

The significant increase in expenses are due to:

- Employee expenses resulting from wage indexation and increase in staff numbers to deliver on contracted funding agreements
- The increases in overall operating costs in line with the increase in revenue

## Company Objectives

We believe in a world where people's rights are respected and laws are applied fairly to all. Too many people's and community groups' real-life problems have legal solutions, but a complex and unfair legal system stands in the way.

We change things by getting lawyers and legal help where they're needed, by empowering people and community groups with the tools and knowledge they need, and by challenging and changing unfair laws and systems.

# Directors' Report

## Company Strategies

To achieve our objectives, the company works across seven strategic themes:

- We partner with others – the practice of collaboration for impact
- We look outwards to find our clients - the practice of reaching out to meet need
- We centre our work in evidence – the practice of centring our work on research and data
- We champion better systems and structures – the practice of changing laws, policies, practices and perceptions
- We are constantly learning – the practice of supporting the development and well-being of our people
- We're about impact – the practice of evaluation, continuous improvement and demonstrated impact
- We experiment to find innovative solutions – the practice of designing for impact

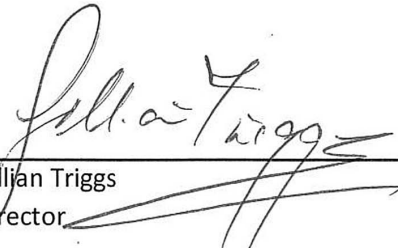
## Limitation of Members Liability

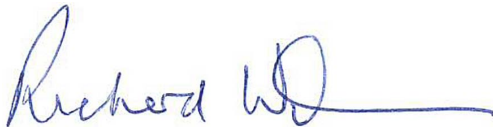
If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2018, the collective liability of members was \$580 (2017: \$620).

## Auditor's Independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not- for-profits Commission Act 2012 is set out at page 4.

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

  
\_\_\_\_\_  
Gillian Triggs  
Director

  
\_\_\_\_\_  
Richard Wilson  
Director

Dated 22 day of October 2018

## Auditor's Independence Declaration

### To the Directors of Justice Connect

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Justice Connect for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



E W Passaris  
Partner – Audit & Assurance

Melbourne, 22 October 2018

# Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	2	6,667,454	6,143,906
Employee benefits expense		(4,784,885)	(4,555,221)
Occupancy expenses		(661,936)	(527,701)
Administrative expenses		(946,712)	(851,056)
Depreciation expenses		(200,041)	(198,269)
Total Expenses	3	<u>(6,593,574)</u>	<u>(6,132,247)</u>
<b>Surplus/(deficit) for the year</b>		<b>73,880</b>	<b>11,659</b>
<b>Other comprehensive income</b>			
Items that will not subsequently be reclassified to profit or loss			
Unrealised gain on investments		6,325	3,836
<b>Total comprehensive income/(loss) for the year</b>		<b><u>80,205</u></b>	<b><u>15,495</u></b>

# Statement of Financial Position

As at 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	3,185,974	2,650,234
Trade and other receivables	5	421,866	382,943
<b>Total current assets</b>		<b>3,607,840</b>	<b>3,033,177</b>
<b>Non-current assets</b>			
Other financial assets		105,210	88,386
Property, plant and equipment	6	602,341	639,110
Intangible Assets	7	1,178	5,249
<b>Total non-current assets</b>		<b>708,729</b>	<b>732,745</b>
<b>TOTAL ASSETS</b>		<b>4,316,569</b>	<b>3,765,922</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	374,380	590,176
Income received in advance	9	2,117,742	1,463,385
Other liabilities	10	9,533	47,483
Provisions	11	366,803	385,480
<b>Total current liabilities</b>		<b>2,868,458</b>	<b>2,486,524</b>
<b>Non-current liabilities</b>			
Other liabilities	10	134,672	76,582
Provisions	11	141,298	110,880
<b>Total non-current liabilities</b>		<b>275,970</b>	<b>187,462</b>
<b>TOTAL LIABILITIES</b>		<b>3,144,428</b>	<b>2,673,986</b>
<b>NET ASSETS</b>		<b>1,172,141</b>	<b>1,091,936</b>
<b>Funds</b>			
Reserves		10,161	3,836
Retained earnings		1,161,980	1,088,100
<b>TOTAL FUNDS</b>		<b>1,172,141</b>	<b>1,091,936</b>

# Statement of Changes in Equity

For the year ended 30 June 2018

	Retained Earnings \$	Reserves \$	Total Equity \$
<b>Balance as at 1 July 2016</b>	1,076,441	-	1,076,441
Surplus/ (deficit) for the year	11,659	-	11,659
Other comprehensive income	-	3,836	3,836
Total comprehensive income (loss) for the year	11,659	3,836	15,495
<b>Balance as at 30 June 2017</b>	<b>1,088,100</b>	<b>3,836</b>	<b>1,091,936</b>
<b>Balance as at 1 July 2017</b>	<b>1,088,100</b>	<b>3,836</b>	<b>1,091,936</b>
Surplus/(deficit) for the year	<b>73,880</b>	-	<b>73,880</b>
Other comprehensive income	-	<b>6,325</b>	<b>6,325</b>
Total comprehensive income (loss) for the year	<b>73,880</b>	<b>6,325</b>	<b>80,205</b>
<b>Balance as at 30 June 2018</b>	<b>1,161,980</b>	<b>10,161</b>	<b>1,172,141</b>

# Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from memberships		549,042	145,912
Receipts from grants & other funding contributions		6,197,084	5,158,813
Receipts from other sources		480,670	225,967
Payments to suppliers and employees		(6,585,869)	(5,598,956)
Receipts from interest		60,969	48,867
Receipts from investment distributions		3,544	1,808
<b>Net cash provided by/(used in) operating activities</b>	12	<u>705,440</u>	<u>(17,589)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(159,200)	(43,597)
Payment for purchase of financial assets		(10,500)	(84,550)
<b>Net cash used in investing activities</b>		<u>(169,700)</u>	<u>(128,147)</u>
<b>Net change in cash and cash equivalents held</b>		535,740	(145,736)
Cash and cash equivalents at beginning of financial year		2,650,234	2,795,970
<b>Cash and cash equivalents at end of financial year</b>	4	<u><u>3,185,974</u></u>	<u><u>2,650,234</u></u>

# Notes to the financial statements

For the year ended 30 June 2018

## 1. Statement of significant accounting policies

### General information

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue on 22 October 2018 by the directors of the company.

### Basis of preparation

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous period unless stated otherwise.

### Reporting basis and conventions

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### (a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### (b) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### (c) Property, plant and equipment

Property, plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The depreciable amount of all fixed assets are depreciated on a straight-line basis over their useful lives commencing from the time the asset is ready for use. The following useful lives are applied:

- Office fixtures and furniture: 10 years
- Computer equipment: 3-4 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to profit or loss as part of the profit or loss on disposal.

# Notes to the financial statements

For the year ended 30 June 2018

## 1. Statement of significant accounting policies (continued)

### (d) Employee Entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash outflows are discounted using high quality corporate bond rates.

Included in the 2018 employee entitlements is a provision for parental leave of \$100,633 (2017 \$56,800). Pursuant to Australian Accounting Standard AASB 119 Employee Benefits, parental leave is a non-accumulating paid absence that should only be recognised when the absences occur. The recognition of the provision for parental leave is a departure from AASB 119. The directors have resolved that it is prudent and desirable to provide for future parental leave as required due to the nature of the business and its gender composition and age of its workforce.

### (e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised.

#### (i) Grant revenue

Grants are treated as unexpended grants in the statement of financial position where there are conditions attached to the grant revenue relating to the use of these grants for specific purposes. It is recognised in the statement of financial position as a liability until such conditions are met or services provided. Once the conditions are met and the services provided, the amount is included as revenue in profit or loss. When there is a non reciprocal transfer, grants are recognised as income when the entity obtains control or the right to receive a contribution, it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the grant can be measured reliably.

#### (i) Membership revenue

Revenue from members' subscriptions is recognised on a time proportionate basis that takes into account the period of the subscription.

#### (ii) Donation revenue

Donations are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as income in advance in the statement of financial position until such time as that purpose is fulfilled.

#### (iii) Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

### (f) Provisions

Provisions are recognised when the company 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 the outflow can be reliably measured.

# Notes to the financial statements

For the year ended 30 June 2018

## 1. Statement of significant accounting policies (continued)

### (g) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses over the lease term.

Australian Accounting Standard AASB 117 Leases and Australian Accounting Interpretation 115 Operating Leases - Incentives requires that the total cost of an operating lease, after taking into account any incentives and known escalations, be measured and straight-lined over the lease term unless there is another systematic basis which is more representative of the time pattern of the user's benefit.

### (h) 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 Taxation 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 statement of financial position are shown inclusive of GST.

### (i) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### (j) Intangibles

#### (i) *Acquired intangible assets*

Acquired software is capitalised on the basis of the costs incurred to acquire and install the specific software.

#### (ii) *Subsequent measurement*

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition they are subject to impairment testing as described in Note 1 (k). The following useful lives are applied:

- software: 5 years

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

# Notes to the financial statements

For the year ended 30 June 2018

## 1. Statement of significant accounting policies (continued)

### (k) Impairment of assets

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of the asset.

### (l) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterpart will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group

### (m) Critical accounting estimates and judgements

In the process of applying the company's accounting policies, management has made the following judgements and estimates which have had the most significant effect on the amount recognised in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### Key estimates

##### *(i) Provision for make good of lease premises*

A provision of \$79,400 (2017: \$61,160) has been recognised to make good the premises under lease.

##### *(ii) Provision for parental leave*

A provision of \$100,633 (2017 \$56,800) has been recognised for parental leave.

No other significant critical judgements or accounting estimates have been made during the year.

### (n) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below:

# Notes to the financial statements

For the year ended 30 June 2018

## 1. Statement of significant accounting policies (continued)

### (n) New accounting standards and interpretations (continued)

(i) AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, effective for annual reporting periods beginning on or after 1 January 2019. When the new standards are adopted for the year ending 30 June 2020, they are unlikely to have any significant impact on the entity. The entity is yet to undertake a detailed assessment of the impact of AASB 15 and AASB 1058. However, based on the entity's preliminary assessment, the Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements when is first adopted for the year ending 30 June 2020.

(ii) AASB 16 replaces AASB 117 Leases and some lease-related Interpretations. AASB 16 requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases. The new standard also provides new guidance on the application of the definition of lease and on sale and lease back accounting and requires new and different disclosures about leases whilst largely retains the existing lessor accounting requirements in AASB 117.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entities' preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes:

- there will be a significant increase in lease assets and financial liabilities recognised on the balance sheet;
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.

### (o) Early adoption of standards

Justice Connect has elected to apply AASB 9 Financial Instruments as issued in December 2014 for the period beginning 1 July 2015.

AASB 9 replaces the provision of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities and the derecognition of financial instruments. It requires financial assets to be classified into three measurement categories: those measured at fair value, those measured at amortised cost and those measured at fair value through Other Comprehensive Income. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Under AASB 9, the definition of "equity like investments" has narrowed and investments in managed funds where the fund has a limited life, no longer qualify as "equity like investments". In these circumstances, AASB 9 requires investments in managed funds to be accounted for at fair value through Profit or Loss.

The directors have resolved to depart from the requirements of AASB 9 in these circumstances and have elected to account for the company's investment in managed funds at fair value through Other Comprehensive Income. For the 2018 year the impact is to record an unrealised gain on investments of \$6,325 (2017: \$3,836) in Other Comprehensive Income rather than as part of the surplus/(deficit) for the year. Total Comprehensive Income remains unchanged.

# Notes to the financial statements

For the year ended 30 June 2018

	2018 \$	2017 \$
<b>2. Revenue</b>		
Grants	5,224,151	4,991,331
Membership	568,367	614,412
Fundraising Income - events	159,456	73,251
Training income	170,296	184,375
Overhead recovered	367,628	157,400
Investment income	64,514	50,675
Other income	113,042	72,462
Total revenue	<u>6,667,454</u>	<u>6,143,906</u>
<b>3. Auditor remuneration</b>		
Auditors remuneration for audit of the financial report	<u>18,123</u>	<u>16,000</u>
<b>4. Cash and cash equivalents</b>		
Cash on Hand	519	727
Cash at Bank	3,185,455	2,649,507
	<u>3,185,974</u>	<u>2,650,234</u>
<b>5. Trade and other receivables</b>		
<b>Current</b>		
Trade receivables	280,455	250,487
Accrued income	1,071	535
Other receivables	69,317	73,839
Prepayments deposits	71,023	58,082
	<u>421,866</u>	<u>382,943</u>
<b>6. Property, plant and equipment</b>		
Office fixtures and furniture - at cost	860,383	810,066
Accumulated depreciation	(397,890)	(267,493)
	<u>462,493</u>	<u>542,573</u>
Computer Equipment - at cost	291,510	300,744
Accumulated depreciation	(151,662)	(204,207)
	<u>139,848</u>	<u>96,537</u>
Total property, plant & equipment	<u>602,341</u>	<u>639,110</u>

# Notes to the financial statements

For the year ended 30 June 2018

	2018 \$	2017 \$
<b>7. Intangible Assets</b>		
Software at cost	103,992	103,992
Less accumulated amortisation	(102,814)	(98,743)
	<u>1,178</u>	<u>5,249</u>
<b>8. Trade and other payables</b>		
<b>Current</b>		
Trade payables	297,387	260,546
Other payables and accruals	76,993	329,630
	<u>374,380</u>	<u>590,176</u>
<b>9. Income Received in Advance</b>		
Grants received in advance	2,078,762	1,431,313
Membership renewals billed in advance	-	19,325
Training fees received in advance	38,980	12,747
	<u>2,117,742</u>	<u>1,463,385</u>
<b>10. Other Liabilities</b>		
<b>Current</b>		
Lease straightlining	-	18,883
Rent free period benefit	9,533	28,600
	<u>9,533</u>	<u>47,483</u>
<b>Non-current</b>		
Lease straightlining	134,672	67,049
Rent free period benefit	-	9,533
	<u>134,672</u>	<u>76,582</u>
<p>During the period additional office space was leased in Melbourne and the lease term for the existing space was extended.</p>		
<b>11. Provisions</b>		
<b>Current</b>		
Employee benefits	366,803	385,480
<b>Non-current</b>		
Make good provision	79,400	61,160
Employee benefits	61,898	49,720
	<u>141,298</u>	<u>110,880</u>

# Notes to the financial statements

For the year ended 30 June 2018

	2018	2017
	\$	\$
<b>12. Cash flow information</b>		
<b>Reconciliation of cash and cash equivalents</b>	<b>519</b>	<b>727</b>
Cash on Hand	<b>3,185,455</b>	2,649,507
Cash at bank	<b>3,185,974</b>	2,650,234
<b>Reconciliation of surplus/(deficit) to net cash flows from operating activities</b>		
<b>Surplus/(deficit) for the year:</b>	<b>73,880</b>	11,659
<b>Non-cash flows in profit</b>		
Amortisation of rent free period benefit	<b>(28,600)</b>	(26,257)
Depreciation and amortisation	<b>200,041</b>	198,269
Amortisation of lease straightline liability	<b>48,740</b>	35,946
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	<b>(38,923)</b>	447,993
Increase/(decrease) in trade and other payables	<b>(215,796)</b>	345,406
Increase/(decrease) in income received in advance	<b>654,357</b>	(1,061,248)
Increase/(decrease) in provisions	<b>11,741</b>	30,643
<b>Net cash provided by/(used in) operating activities</b>	<b>705,440</b>	(17,589)

## 13. Commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements are as follows:

Payable - minimum lease payments		
- not later than 12 months	<b>566,334</b>	443,645
- between 12 months and 5 years	<b>2,218,532</b>	1,742,650
- over 5 years	-	177,011
Total operating lease commitments	<b>2,784,866</b>	2,363,305

## 13. Limitation of members liability

If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2018, the collective liability of members was \$580 (\$620 as at 30 June 2017).

# Notes to the financial statements

For the year ended 30 June 2018

## 14. Subsequent Events

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

## 15. Company details

The registered office of Justice Connect is:  
Level 17, 461 Bourke Street  
Melbourne VIC 3000

The principal place of business of Justice Connect are:  
Level 17, 461 Bourke Street  
Melbourne VIC 3000  
Level 5, 175 Liverpool Street  
Sydney NSW 2000

This special purpose financial report covers Justice Connect as an individual entity. The special purpose financial report is presented in the Australian currency.

# Directors' declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

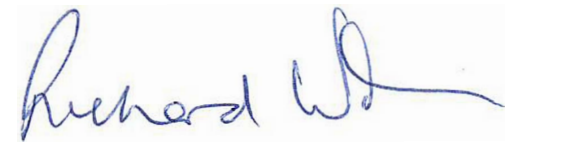
1. The financial statements and notes, as set out on pages 5 to 17, present fairly the company's financial position as at 30 June 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements, and have been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



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Gillian Triggs  
Director



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Richard Wilson  
Director

Dated 22 day of October 2018

# Independent Auditor's Report

## To the Members of Justice Connect

### Report on the audit of the financial report

#### Opinion

We have audited the accompanying financial report of Justice Connect (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company.

In our opinion, the financial report of the Justice Connect has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year then ended; and
- b 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 have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company'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.

### **Information other than the financial report and auditor's report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors' for the financial report**

The Directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report, which form part of the financial report, are appropriate to meet the needs of the Members. The responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



E W Passaris  
Partner – Audit & Assurance

Melbourne, 22 October 2018