Special Purpose Financial Statements

Justice Connect

A.B.N. 54 206 789 276

30 June 2022

Contents

Directors' Report

Your directors submit the financial statements of the company for the financial year ended 30 June 2022.

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
Nicky Friedman	1 Jul 2013		Board Member	4/6	4/5	3/5
Richard Wilson	1 Jul 2013	27 Jul 2021	Board Member			
Tristan Cutcliffe	22 Oct 2018		Board Member	6/6	5/5	
Marcia Neave	5 Mar 2020		Chairperson	6/6	2/2	
Sarah Maddison	4 Mar 2021		Board Member	6/6		5/5
Crystal McKinnon	24 Jun 2021		Board Member	4/6	3/4	
Jidah Clarke	28 Oct 2021		Board Member	5/6		3/4
Vicki Jamieson	28 Oct 2021		Board Member	3/5	2/3	

Principal Activities
Justice Connect is involved in a range of activities including: developing community legal education and self-help resources and tools; digital innovation to increase access to legal support; outreach; complementary services (including social work support), legal services (both design and delivery), and strategic engagement.

Review of Operations
The year ended 30 June 2022 saw Justice Connect undertake the following key changes:

- Delivered services for people experiencing or at risk of homelessness, those experiencing or at risk of elder abuse, assisting those attending court alone and assisting not for profits with a range of legal issues
- Trained an AI model to more effectively identify legal needs of people from a range of backgrounds who are seeking help and developed systems to more effectively leverage and enable pro bono practices
- Developed significantly improved data monitoring and oversight together with reflective processes to ensure we are capturing and acting on insights arising from our work
- Advocated on a range of system reforms in the areas which include housing and tenancy, fines and infringement, volunteering, fundraising and in relation to the rights of older people
- Developed extensive self-help resources and undertook a digital outreach program to reach and assist people impacted by COVID-19
- Maintained remote working arrangements as a result of COVID-19 and at the same time maintaining or increasing service provision and undertaking a range of other activity to increase access to legal support during this period
- Welcomed new Board members Jidah Clarke and Vicki Jamieson

The increase in expenses are due to:

- Employee expenses resulting from wage indexation and increase in staff numbers to deliver on contracted funding agreements

Directors' Report

Company Objectives
In the face of huge unmet legal need, we design and deliver high-impact interventions to increase access to legal support and achieve social justice.

Company Strategies
The Justice Connect strategy consists of 3 strategic directions including:
1. Scaling up our services with a focus on digital strategies
2. Amplifying and extending the impact of our work through strategic engagement
3. Achieving our purpose in the most effective and financially sustainable way

In addition to our strategic directions, Justice Connect is committed to monitoring, evaluating and learning (MEL) from our work. To this end, we have developed theories of change and associated MEL frameworks which are currently being updated to align with our strategy. As part of this process we track our contribution to the following priority outcomes:
- Stronger and more effective NFPs
- Improved wellbeing from legal problems resolved or prevented
- Better responses to legal need
- Better laws and policies

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 2022, the collective liability of members was $570 (2021: $550).

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:

Marcia Neave	Sarah Maddison
Chairperson	Director

Dated 27 day of October 2022

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

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 of Justice Connect for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

D G Ng
Partner – Audit & Assurance

Melbourne, 27 October 2022

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue	2	**10,396,200**	10,419,624
Employee benefits expense		**(7,882,503)**	(7,215,625)
Occupancy expenses		**(165,514)**	(222,319)
Administrative expenses		**(558,365)**	(639,863)
ICT expenses		**(860,246)**	(1,104,251)
Depreciation and amortisation expenses		**(718,239)**	(736,285)
Total Expenses	3	**(10,184,867)**	(9,918,343)
Surplus for the year		**211,333**	501,281
Other comprehensive income			
Items that will not subsequently be reclassified to profit or loss		**-**	-
Unrealised (loss)/gain on investments		**(26,235)**	31,136
Total comprehensive income for the year		**185,098**	532,417

Statement of Financial Position

As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	4	**5,526,619**	6,722,255
Trade and other receivables	5	**841,017**	753,977
Total current assets		**6,367,636**	7,476,232
Non-current assets			
Financial assets through other comprehensive income		**209,197**	212,014
Property, plant and equipment	6	**532,619**	1,220,556
Total non-current assets		**741,816**	1,432,570
TOTAL ASSETS		**7,109,452**	8,908,802
LIABILITIES			
Current liabilities			
Trade and other payables	7	**643,940**	701,049
Contract liabilities	8	**2,920,425**	4,209,301
Other liabilities	9	**305,540**	567,767
Provisions	10	**771,002**	759,218
Total current liabilities		**4,640,907**	6,237,335
Non-current liabilities			
Other liabilities	9	**-**	366,007
Provisions	10	**170,164**	192,177
Total non-current liabilities		**170,164**	558,184
TOTAL LIABILITIES		**4,811,071**	6,795,519
NET ASSETS		**2,298,381**	2,113,283
Equity			
Reserves		**1,625**	27,860
Accumulated surplus		**2,296,756**	2,085,423
TOTAL EQUITY		**2,298,381**	2,113,283

Statement of Changes in Equity

For the year ended 30 June 2022

	Accumulated Surplus $	Reserves $	Total Equity $
Balance as at 1 July 2020	1,584,142	(3,276)	1,580,866
Surplus for the year	501,281	-	501,281
Fair value change through other comprehensive income	-	31,136	31,136
Total comprehensive income for the year	501,281	31,136	532,417
Balance as at 30 June 2021	2,085,423	27,860	2,113,283
Balance as at 1 July 2021	**2,085,423**	**27,860**	**2,113,283**
Surplus for the year	**211,333**	**-**	**211,333**
Fair value change through other comprehensive income	**-**	**(26,235)**	**(26,235)**
Total comprehensive income for the year	**211,333**	**(26,235)**	**185,098**
Balance as at 30 June 2022	**2,296,756**	**1,625**	**2,298,381**

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from memberships		**1,126,695**	611,248
Receipts from grants & other funding contributions		**7,211,310**	9,870,844
Receipts from other sources		**681,830**	1,489,148
Payments to suppliers and employees		**(9,576,510)**	(8,963,214)
Receipts from interest		**30,012**	35,332
Receipts from investment distributions		**12,981**	6,123
Net cash (used in)/provided by operating activities	11	**(513,682)**	3,049,481
Cash flows from investing activities			
Payments for property, plant and equipment		**(35,727)**	(263,948)
Proceeds from disposal of property, plant and equipment		**5,425**	-
Payments for intangibles		**-**	304,822
Payment for purchase of financial assets		**(23,419)**	3,193
Net cash (used in)/provided by investing activities		**(53,721)**	44,067
Cash flows from financing activities			
Repayment of borrowings and lease liabilities		**(628,233)**	(555,571)
Net cash used in financing activities		**(628,233)**	(555,571)
Net change in cash and cash equivalents held		**(1,195,636)**	2,537,977
Cash and cash equivalents at beginning of financial year		**6,722,255**	4,184,278
Cash and cash equivalents at end of financial year	4	**5,526,619**	6,722,255

Notes to the financial statements

For the year ended 30 June 2022

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 27 October 2022 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) 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.

Grant revenue
Grants are treated as unexpended grants in the statement of financial position where there are performance obligations 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 performance obligations 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.

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

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

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

Notes to the financial statements

For the year ended 30 June 2022

1. Statement of significant accounting policies (continued)

(b) 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.

(c) Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in 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 2022 year the impact is to record an unrealised loss on investments of ($26,235) (2021: gain $31,136) in Other Comprehensive Income rather than as part of the surplus/(deficit) for the year. Total Comprehensive Income remains unchanged.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Investments
Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Notes to the financial statements

For the year ended 30 June 2022

1. Statement of significant accounting policies (continued)

(c) Investments and other financial assets (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(d) 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.

(e) Intangibles

Acquired intangible assets

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

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 (f). 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 2022

1. Statement of significant accounting policies (continued)

(e) Intangibles (continued)

Internally developed software

Expenditure on the research phase of projects to develop new customised software systems is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the availability of adequate resources to complete the project
- the ability to use or sell the software
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent measurement

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

- software: 5 years

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract	• Fee for use of application software
Recognise as an operating expense as the service is received	• Configuration costs • Data migration costs • Training costs

(f) 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.

Notes to the financial statements

For the year ended 30 June 2022

1. Statement of significant accounting policies (continued)

(g) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Right-of-use assets that meet the definition of investment property are measured at fair value where the company has adopted a fair value measurement basis for investment property assets.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

The company has included right-of-use assets in the net carrying amount of property, plant and equipment.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease liability payments included in the measurement of the lease liability are as follows:
- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

(h) 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.

(i) 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 2022

1. Statement of significant accounting policies (continued)

(j) 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Included in the employee entitlements is a provision for parental leave of $50,997 (2021 $145,804). 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.

(k) 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.

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

(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 $104,360 (2021: $98,120) has been recognised to make good the premises under lease.

(ii) Provision for parental leave
A provision of $50,997 (2021 $145,804) has been recognised for parental leave.

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

Notes to the financial statements

For the year ended 30 June 2022

1. Statement of significant accounting policies (continued)

(n) New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

Notes to the financial statements

For the year ended 30 June 2022

	2022 $	2021 $

2. Revenue

	2022 $	2021 $
Grants	**8,589,278**	7,932,765
Membership	**721,330**	684,735
Fundraising Income - events	**72,092**	64,049
Training income	**288,677**	207,471
Overhead recovered	**595,453**	546,648
Investment income	**42,993**	41,455
Other income	**86,377**	111,001
Other income - government support	**-**	831,500
Total revenue	**10,396,200**	10,419,624

3. Auditor remuneration

	2022 $	2021 $
Auditors remuneration for audit of the financial report	**22,813**	18,553

4. Cash and cash equivalents

	2022 $	2021 $
Cash on Hand	**749**	1,080
Cash at Bank	**5,525,870**	6,721,175
	5,526,619	6,722,255

5. Trade and other receivables

	2022 $	2021 $
Current		
Trade receivables	**644,907**	630,487
Accrued income	**30,075**	-
Other receivables	**69,317**	69,317
Prepayments	**96,718**	54,173
	841,017	753,977

Notes to the financial statements

For the year ended 30 June 2022

6. Property, plant and equipment

	2022 **$**	2021 $
Right-of-use asset	**1,827,745**	1,827,745
Accumulated depreciation	**(1,566,680)**	(1,047,297)
	261,065	780,448
Office fixtures and furniture	**866,076**	866,076
Accumulated depreciation	**(857,166)**	(797,261)
	8,910	68,815
IT Equipment	**439,947**	559,959
Accumulated depreciation	**(177,303)**	(188,666)
	262,644	371,293
Total property, plant & equipment	**532,619**	1,220,556

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	2022 **$**	2021 $
Property	**1,827,745**	1,827,745
IT Equipment	**14,301**	14,301
	1,842,046	1,842,046

7. Trade and other payables

	2022 **$**	2021 $
Current		
Trade payables	**239,128**	285,206
Other payables and accruals	**404,812**	415,843
	643,940	701,049

8. Contract liabilities

	2022 **$**	2021 $
Contract liabilities	**2,469,117**	4,067,392
Membership renewals billed in advance	**405,365**	-
Training fees received in advance	**45,943**	141,909
	2,920,425	4,209,301

Notes to the financial statements

For the year ended 30 June 2022

	2022 $	2021 $
9. Other Liabilities		
Current		
Lease liabilities	**305,540**	567,767
Non-current		
Lease liabilities	**-**	366,007
10. Provisions		
Current		
Employee benefits	**771,002**	759,218
Non-current		
Make good provision	**104,360**	98,120
Employee benefits	**65,804**	94,057
	170,164	192,177
11. Cash flow information		
Reconciliation of cash and cash equivalents		
Cash on hand	**749**	1,080
Cash at bank	**5,525,870**	6,721,175
	5,526,619	6,722,255
Reconciliation of surplus to net cash flows from operating activities		
Surplus/(deficit) for the year:	**211,333**	501,281
Non-cash flows in profit		
Depreciation and amortisation	**718,239**	736,285
Changes in assets and liabilities		
(Increase) in trade and other receivables	**(87,040)**	(3,348)
(Decrease)/Increase in trade and other payables	**(57,109)**	114,764
(Decrease)/Increase in contracted liabilities	**(1,288,876)**	1,599,410
(Decrease)/Increase in provisions	**(10,229)**	101,089
Net cash (used in)/provided by operating activities	**(513,682)**	3,049,481

Notes to the financial statements

For the year ended 30 June 2022

	2022	2021
	$	$
12. Commitments		
Lease Commitments		
Payable - minimum lease payments		
- not later than 12 months	**305,540**	366,007
- between 12 months and 5 years	**-**	659,336
Total lease commitments	**305,540**	1,025,343

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 2022, the collective liability of members was $570 ($550 as at 30 June 2021).

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.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs 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 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 19, present fairly the company's financial position as at 30 June 2022 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.

Marcia Neave
Chairperson

Sarah Maddison
Director

Dated 27 day of October 2022

Grant Thornton Audit Pty Ltd
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222

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 2022, and 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, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of 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 2022 and of its financial 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 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 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 audit 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 purposes 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 Directors' report for the year ended 30 June 2022, 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 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. The Directors' responsibility also includes such internal control as the Directors determine 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, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors 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: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

D G Ng
Partner – Audit & Assurance

Melbourne, 27 October 2022