

The National Justice Project Ltd

ABN 23 609 620 028

Financial Statements

For the Year Ended 30 June 2020

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For the Year Ended 30 June 2020

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Directors' Report

30 June 2020

The Directors present their report on The National Justice Project Ltd for the financial year ended 30 June 2020.

Information on Directors

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

David Radcliff (*resigned 29 November 2019*)

Experience and expertise David's origins were in the construction industry as a loss adjuster, before moving into management and leadership roles. David was the CEO of Cunningham Lindsey Australia and then appointed as the Global Chief Operating Officer of the Cunningham Lindsey Group. Since leaving in 2013, David has been working as a Strategic Planning Consultant.

Special responsibilities Chairman of the Board

George Benjamin Newhouse

Experience and expertise George is well known for fighting for justice for vulnerable Australians, including the mentally ill, LGBTI Australians, survivors of domestic violence, immigrants, prisoners, asylum seekers, youth detainees, and Aboriginal Australians.

In 2006 he secured a legal victory for Vivian Solon, who was illegally deported from Australia to the Philippines and for Cornelia Rau who was wrongfully detained in an Australian detention centre for 10 months.

As an advocate for Aboriginal rights, George has contested government and corporate actions against Aboriginal communities. He is experienced in coronial legal practice and has appeared in many coronial inquests into Aboriginal and asylum seeker deaths in custody.

George is committed to improving access to justice for the most vulnerable in Australia and in neighbouring countries. He is active in projects that make it easier for Aboriginal litigants to exercise their rights and that help stamp out racism.

George is an Adjunct Professor of Law at Macquarie University.

Duncan Fine

Experience and expertise Duncan has been a lawyer for over 30 years and is also an author, journalist, media advisor and social commentator. He has worked on Aboriginal Land Claims in the Northern Territory and for the Aboriginal Legal Service.

Elizabeth O'shea (*resigned 29 November 2019*)

Experience and expertise Lizzie is a public interest lawyer, working on cases which address issues of community concern and further the public good.

Directors' Report

30 June 2020

Information on Directors (*continued*)

Steven Castan

Experience and expertise Steve is an experienced Barrister based in Margaret River, Western Australia who also operates as a Nationally Accredited Mediator and Family Dispute Resolution Practitioner (FDRP) facilitating non-confrontational conflict resolution across civil, commercial and family law.

Michael Dante Mori

Experience and expertise Dan is an American lawyer who attained the rank of lieutenant colonel in the United States Marine Corps. Mori was the military lawyer for Australian Guantanamo Bay detainee David Hicks.

Jo Scard (*resigned 29 November 2019*)

Experience and expertise Jo has played a unique role as a senior adviser in the Australian Federal Government for over a decade. She's also worked as a communications strategist in London, a TV political journalist (Australia/UK) and as strategic adviser to countless corporates and Not-For-Profits across the globe.

Neil Singleton (*Appointed on 9 July 2019 and resigned on 28 October 2019*)

Experience and expertise Neil was a Chartered Accountant for 32 years and a Partner of various Accounting Firms during that time. He specialised in Corporate Recovery from 1980, retiring from full time practice in 2011. Since that time, Neil has undertaken various roles including as an ESL teacher and Financial Advisor to various Charities and Businesses.

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

Principal Activities

The principal activities of The National Justice Project Ltd during the financial year are focused on

- i) advancing human rights through advocacy and litigation
- ii) advancing the education of the community with respect to the law, their rights and responsibilities
- iii) fundraising to support The National Justice Project Ltd's mission.

The National Justice Project Ltd is cognisant of the need to preserve every available dollar for its purposes and has limited the direct costs of its fundraising initiatives. The costs associated with development of the firm's marketing materials have largely been donated by our Partners to whom we are ever grateful.

How Principal Activities Assisted in Achieving the Objectives

Our activities assisted vulnerable individuals in prison and detention obtain proper health care, justice and accountability. We assisted the families of individuals who died in detention or prison to deal with the Coroner or participate in the coronial process and we assisted Aboriginal Australians obtain better health outcomes by fighting against discrimination in the health system.

Directors' Report

30 June 2020

Members' Guarantee

The National Justice Project Ltd is a Company limited by guarantee. In the event of, and for the purpose of the winding up of the Company, the amount capable of being called up from each member in the year prior to the winding up is limited to \$20.

Meetings of Directors

During the financial year, four (4) meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Jo Scard (<i>resigned on 29 November 2019</i>)	2	2
George Benjamin Newhouse	4	4
Duncan Fine	4	3
Elizabeth O'shea (<i>resigned on 29 November 2019</i>)	2	2
Steven Castan	4	2
Michael Dante Mori	4	4
David Radcliff (<i>resigned on 29 November 2019</i>)	2	2
Neil Singleton (<i>Appointed on 9 July 2019 and resigned on 28 October 2019</i>)	2	2

Events Occurring After the Reporting Date

The Company's operations are significantly dependent on private and public donations from individuals and other organisations. The COVID-19 outbreak is expected to have a continued impact on the economic and market conditions and could trigger a period of economic slowdown. This situation is expected to depress donations in general which could have a material effect on the Company's results of future operations and financial position during the financial year ending 30 June 2021.

The financial report was authorised for issue on 23 November 2020 by the Board of Directors. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods and as such no adjustments were made in this financial report.

Other than the matters described in preceding paragraphs, no matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial year.

Directors' Report
30 June 2020

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 5 of the financial report.

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



.....
STEVEN CASTAN
Chairman

Dated in Sydney this 23rd day of November 2020

Auditor's Independence Declaration under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Board of Directors of The National Justice Project Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.



Econ Audit & Assurance
Services Pty Ltd

ECON AUDIT AND ASSURANCE SERVICES PTY LTD



George Venardos

GEORGE VENARDOS
Director

Dated in Sydney this 23rd day of November 2020

Statement of Surplus or Deficit and Other Comprehensive Income
For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
Revenue	2 1,190,136	734,108
Project expenses	(721,588)	(455,741)
Depreciation expense	(7,431)	(7,431)
Depreciation expense - right-of-use asset	13 (53,297)	-
Employee benefits expense	(5,315)	(91,370)
Interest expense - right-of-use asset	13 (4,253)	-
Other expenses	3 (68,789)	(111,772)
Surplus before income tax	329,463	67,794
Income tax expense	-	-
Surplus for the year	329,463	67,794
Other comprehensive income for the year	-	-
Total comprehensive surplus for the year	329,463	67,794

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,144,330	170,355
Trade and other receivables	5	149,144	248,011
Financial assets	6	500,000	-
TOTAL CURRENT ASSETS		<u>1,793,474</u>	418,366
NON-CURRENT ASSETS			
Property, plant and equipment	7	24,769	33,026
Right-of-use asset	13	39,973	-
TOTAL NON-CURRENT ASSETS		<u>64,742</u>	33,026
TOTAL ASSETS		<u>1,858,216</u>	451,392
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	687,709	112,901
Employee benefits	9	24,133	12,314
Lease liabilities	13	40,734	-
TOTAL CURRENT LIABILITIES		<u>752,576</u>	125,215
NON CURRENT LIABILITIES			
Trade and other payables	8	450,000	-
TOTAL NON CURRENT LIABILITIES		<u>450,000</u>	-
TOTAL LIABILITIES		<u>1,202,576</u>	125,215
NET ASSETS		<u>655,640</u>	326,177
EQUITY			
Retained earnings		<u>655,640</u>	326,177
TOTAL EQUITY		<u>655,640</u>	326,177

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Retained Earnings
	\$
	<hr/>
Balance at 1 July 2019	326,177
Surplus for the year	329,463
	<hr/>
Balance at 30 June 2020	655,640
	<hr/> <hr/>

	Retained Earnings
	\$
	<hr/>
Balance at 1 July 2018	258,383
Surplus for the year	67,794
	<hr/>
Balance at 30 June 2019	326,177
	<hr/> <hr/>

Statement of Cash Flows
For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from grants and other revenue	2,280,272	534,376
Payments to suppliers and employees	(750,809)	(609,606)
Interest received	1,301	2,544
Interest paid	(4,253)	-
Net cash provided by operating activities	<u>1,526,511</u>	<u>(72,686)</u>
	12	
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment on term deposits	(500,000)	-
Net cash used by investing activities	<u>(500,000)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease principal	(52,536)	-
Net cash provided by financing activities	<u>(52,536)</u>	-
Net increase/(decrease) in cash and cash equivalents held	973,975	(72,686)
Cash and cash equivalents at beginning of year	170,355	243,041
Cash and cash equivalents at end of financial year	<u>4</u> <u>1,144,330</u>	<u>170,355</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial statements are for The National Justice Project Ltd as a not-for-profit individual entity.

The functional and presentation currency of The National Justice Project Ltd is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

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

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Income Tax

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

(c) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable.

Grant Revenue

Grant revenue is recognised in the statement of surplus or deficit and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The National Justice Project Ltd receives non-reciprocal contributions of assets from various organisations for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of surplus or deficit and other comprehensive income.

Interest Revenue

Interest is recognised using the effective interest method.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (*continued*)

(c) Revenue and Other Income (*continued*)

Rendering of Services

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

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

Donations

Revenue arising from donations is recognised when control is obtained as it is impossible for the Company to reliably measure these prior to this time. For example, cash donations are recognised when banked and other donations are recognised when title transfers to the Company.

(d) Cash and Cash Equivalents

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

(e) Employee Benefits

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 benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been calculated.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(f) Financial Assets

Term deposits with a maturity greater than three (3) months from year end are determined to be financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2020

1 Summary of Significant Accounting Policies (*continued*)

(g) 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 outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of surplus or deficit and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) 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.

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 surplus or deficit as incurred.

(i) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset or to surplus or deficit if the carrying amount of the right-of-use asset is fully written down.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Revenue and Other Income

	2020	2019
	\$	\$
Client fees received	30,289	280,035
Donations received	870,317	387,366
Grants received	106,432	30,000
Consulting fees	34,503	27,592
Event fees	-	6,571
Interest income	1,595	2,544
COVID-19 income support	72,000	-
COVID-19 cashflow boost	75,000	-
	1,190,136	734,108

3 Other Expenses

Material items included as part of Other Expenses are as follows

	2020	2019
	\$	\$
Service office cost	-	60,580
Insurance expense	12,038	8,071
IT expenses	12,080	3,112

4 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank	993,924	66,332
Term deposit – short term	150,406	104,023
	1,144,330	170,355

The cash at bank balance includes a Term Deposit with maturity of three months and earning interest from 0.90% - 1.05% per annum.

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

	2020	2019
	\$	\$
Cash and cash equivalents	1,144,330	170,355
	1,144,330	170,355

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Trade and Other Receivables

	2020	2019
	\$	\$
Trade receivables	149,144	248,011
	<u>149,144</u>	<u>248,011</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

6 Financial Assets

	2020	2019
	\$	\$
Term deposit – medium maturity	500,000	-
	<u>500,000</u>	<u>-</u>

Medium-term investment represents a Term Deposit with St George Bank. This medium-term investment earns interest at 0.92% p.a. and matures more than three (3) months after year end.

7 Property, Plant and Equipment

	2020	2019
	\$	\$
Office furniture and fittings-at cost	49,539	49,539
Accumulated depreciation	(24,770)	(16,513)
	<u>24,769</u>	<u>33,026</u>

8 Trade and Other Payables

	2020	2019
	\$	\$
Trade payables	25,000	50,000
Unearned income	592,864	-
Other payables- related parties	60,849	27,470
Sundry payables and accrued expenses	8,996	35,431
Total trade and other payables- current	<u>687,709</u>	<u>112,901</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Trade and Other Payables (*continued*)

	2020	2019
	\$	\$
Unearned income	450,000	-
Total trade and other payables- non-current	450,000	-

9 Employee Benefits

	2020	2019
	\$	\$
Provision for annual leave	24,133	12,314
	24,133	12,314

10 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020.

11 Related Parties

Total remuneration paid to key management personnel was \$34,801 (2019: \$40,733) for the year ended 30 June 2020.

12 Cash Flow Information

Reconciliation of net surplus to net cash provided by operating activities:

	2020	2019
	\$	\$
Surplus for the year	329,463	67,794
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus		
- depreciation	60,728	7,431
- employee entitlements	11,819	216
Changes in assets and liabilities:		
- increase in trade and other receivables	98,867	(197,188)
- increase in trade and other payables	1,025,634	49,061
Cashflow from operations	1,526,511	(72,686)

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Change in Accounting Policy (continued)

This note explains the impact of the adoption of AASB 16 *Leases* on the Company's financial statements and discloses the new accounting policy that has been applied from 1 July 2019 in (b) below.

(a) Impact on the financial statements

The Company has adopted AASB 16 using the modified approach from 1 July 2019 but has not restated the comparatives for the 2019 reporting period as permitted under the specific transitional provision in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

(b) Adjustments recognised on adoption of AASB 16 (continued)

On adoption of AASB 16, the Company recognised lease liabilities in relation to the leases which had previously been classified as "operating leases" under the principles of AASB 117 *Leases*. The liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of 1 July 2019. The Company's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 4.56%.

Lease liabilities recognised in the statement of financial position as at the date of initial application are as follows:

	2020 \$
Operating lease commitments disclosed as at 30 June 2019	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	93,270
Less: short-term leases recognised on a straight-line basis as expense	-
Less: low-value leases recognised on a straight-line basis as expense	-
Add/Less: other adjustments at the date of initial application	-
Lease liability recognised as at 30 June 2020	<u>93,270</u>

These associated right-of-use-assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position as at 30 June 2019. There were no onerous lease contracts that would have required an adjustment to the right of use assets at the date of initial application

The recognised right-of-use assets relate to the following types of assets

	2020 \$
Property - office space	93,270
Total right-of-use assets	<u>93,270</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Change in Accounting Policy *(continued)*

The change in accounting policy affected the following items in the Statement of Financial Position at 1 July 2019:

- Right-of-use assets - increase by \$93,270
- Lease liabilities - increase by \$93,270

The net impact on retained earnings at 1 July 2019 was \$Nil.

(b) Adjustments recognised on adoption of AASB 16 (continued)

(i) Practical expedients applied

In applying AASB 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with remaining lease term of less than 12 months as at 1 July 2019 as short-term leases
- exclusion of initial direct costs for the measurement of right-of-use asset at the initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(a) The Company's leasing activities and how these are accounted for

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to surplus or deficit on a straight line basis over the period of the lease. There has been no change to the accounting for finance leases.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Change in Accounting Policy (*continued*)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any incentives receivable

The lease payments are discounted using the interest rate implicit on the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the surplus or deficit. Short-term leases are leases with a lease term of twelve (12) months or less.

(i) *Extension and termination options*

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the surplus or deficit. Short-term leases are leases with a lease term of twelve (12) months or less. Low-value assets comprise IT equipment and small items of office equipment

(c) *The Company's leasing activities and how these are accounted for (continued)*

(ii) *Critical judgements in determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company has assessed it is reasonably certain that it will exercise its option to renew all leases.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

14 Events Occurring after the Reporting Date

The Company's operations are significantly dependent on private and public donations from individuals and other organisations. The COVID-19 outbreak is expected to have a continued impact on the economic and market conditions and could trigger a period of economic slowdown. This situation is expected to depress donations in general which could have a material effect on the Company's results of future operations and financial position during the financial year ending 30 June 2021.

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Events Occurring after the Reporting Date (*continued*)

The financial report was authorised for issue on 23 November 2020 by the Board of Directors. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods and as such no adjustments were made in this financial report.

Other than the matters described in preceding paragraphs, no matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial year.

15 Company Details

The registered office of the Company is:

The National Justice Project Ltd
5/22 Cooper Street
SURRY HILLS NSW 2010

Directors' Declaration
For the Year Ended 30 June 2020

In accordance with a resolution of the Directors of The National Justice Project Ltd (the "Company"), the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 19, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
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.



.....
STEVEN CASTAN
Chairman

Dated in Sydney this 23rd day of November 2020

Independent Auditor's Report to the Members of The National Justice Project Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of The National Justice Project Ltd (the "Company"), which comprises the statement of financial position as at 30 June 2020, the statement of surplus or deficit 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.

In our opinion the financial report of The National Justice Project Ltd is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards 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 National Justice Project Ltd 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 opinion.

Responsibility of 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* and the needs of the members. The directors' responsibility also includes such internal control 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.

Responsibility of Directors for the Financial Report (*continued*)

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 relating to going concern and using the going concern basis of accounting unless the company either intend to liquidate the registered entity 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 Responsibility for the Audit of the Financial Report

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

As part of an audit in accordance with 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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 company to cease to continue as a going concern.

Auditor's Responsibility for the Audit of the Financial Report (*continued*)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with directors 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.



Econ Audit & Assurance
Services Pty Ltd

ECON AUDIT AND ASSURANCE SERVICES PTY LTD



G. Venardos

GEORGE VENARDOS
Director

Dated in Sydney this 23rd day of November 2020