

**Australian Corporate Lawyers Association**  
**(Trading as ACC Australia)**

**ABN 97 003 186 767**

**Annual Report - 30 June 2020**

**Australian Corporate Lawyers Association**  
**Directors' report**  
**30 June 2020**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2020.

**Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

| <b>Names</b>                                          | <b>Special Responsibilities</b>                                                                                                                                  | <b>Qualifications and Job Title</b>                                                                                                                   |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Adam, Mary                                            |                                                                                                                                                                  | Bachelor of Laws, Bachelor of Applied Science<br>General Counsel, Department of Local Government, Sport and Cultural Industries                       |
| Angus, Sandie<br>(retired 30 June 2020)               |                                                                                                                                                                  | LLB, Law, GAICD<br>General Counsel                                                                                                                    |
| Butler, Genevieve<br>(appointed 14 November 2019)     |                                                                                                                                                                  | Grad Dip in Legal Practice, Master of Journalism, BA, Political Science<br>Principal Government Lawyer                                                |
| Cleary, Teresa                                        | Chair of Finance, Audit and Risk Committee<br>(appointed 10 December 2019)                                                                                       | LLB, BA, Grad Dip in Legal Practice, GAICD<br>Group General Counsel at Elixinol Global Limited                                                        |
| Coss, Justin                                          | National President                                                                                                                                               | Bachelor of Arts and Law, Dip CII Insurance, Grad Dip in Applied Corporate Governance<br>General Counsel                                              |
| Downes, Jonathon                                      | Member of Finance, Audit and Risk<br>(appointed 14 November 2019)                                                                                                | LLB (Hons), Law; Grad Dip in Applied Corporate Governance<br>Head of Legal - Asia-Pacific, Corporate Risk & Broking at Willis Towers Watson           |
| Doyle, John<br>(appointed 8 August 2019)              |                                                                                                                                                                  | LLB/LP, Bachelor of Commerce, Accounting<br>Senior Legal Counsel at ElectraNet Pty Ltd                                                                |
| Grady, Sayuri<br>(retired 14 November 2019)           | Member of Finance, Audit and Risk<br>(retired 14 November 2019)                                                                                                  | LLM, International Law, Grad Dip Legal Practice, Bachelor of Laws/ Bachelor of Media Studies<br>General Counsel, Australian Public Service Commission |
| Grumley, Karen                                        | Immediate Past President                                                                                                                                         | LLB/ BBus/ GDLP/ Grad Dip Exp Mgmt<br>Head of Legal – Coal – Pacific National                                                                         |
| Hodgins, Valerie<br>(retired 14 November 2019)        | Member of Finance, Audit and Risk<br>(retired 14 November 2019)                                                                                                  | LLB, Law<br>Director, Legal and Governance Services, Metropolitan Redevelopment Authority                                                             |
| Kapodistrias, Theo                                    |                                                                                                                                                                  | Bachelor of Arts (Criminology), Bachelor of Laws, Grad Dip of Legal Practice<br>Lawyer, University of Tasmania                                        |
| Long, Scott<br>(retired 2 August 2019)                |                                                                                                                                                                  | LLB, B.Comm, Management<br>Director of Legal Services, University of Adelaide (Former)                                                                |
| Middlehurst, Lori                                     | Member of Finance, Audit and Risk                                                                                                                                | JD Law, BA Biology, GAICD<br>APAC Employment Counsel at Salesforce                                                                                    |
| Ramsay, Carolyn Mei                                   | National Vice President<br>Chair of Finance, Audit and Risk Committee<br>(10 December 2019)<br>Member of Finance, Audit and Risk<br>(Appointed 10 December 2019) | LLB, BA, LLM<br>Group Executive, Legal, Governance and Regulatory Affairs, Medibank Private Limited                                                   |
| Stevenson (Starck), Edwina<br>(retired 15 April 2020) |                                                                                                                                                                  | LLB, BA, Grad Dip Law<br>Lawyer, Pernod Ricard Winemakers                                                                                             |

**Australian Corporate Lawyers Association  
Directors' report  
30 June 2020**

|               |                                   |                                                                                                                                      |
|---------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Wong, Gillian |                                   | LLB (Hons) Law, BCom Accounting, Finance, Grad Dip. Applied Corporate Governance<br>General Counsel and Company Secretary at Quantem |
| Young, Anna   | Member of Finance, Audit and Risk | BSc, LLB(Hons), GradCert InfTech, LLM<br>Group General Manager, Risk and Legal and Company Secretary, Programmed                     |

### Principal activities

Since 1 July 2015, ACLA has been operating under an integration agreement with the Association of Corporate Counsel ("ACC"). During the financial year, the principal continuing activities of the company are to provide services to in-house lawyers working for corporations and government in Australia.

### Objectives

ACLA's mission is to advance the knowledge and understanding of Australian in-house legal practice through the provision of education for the public and the in-house profession, and advocacy, networking and professional services to its members.

#### Vision:

ACLA is the leading voice and membership of choice for Australian in-house lawyers.

#### ACLA does this by:

- Developing the knowledge base about and for the in-house profession
- Fostering member collaboration in forums, network and think tanks
- Championing the professional recognition of in-house lawyers publicly and recognising personal standing
- Advocating on matters of interest to the in-house profession to shape our nation's corporate legal environment and promote the understanding of the law within the business and legal communities and by the public
- Providing cutting-edge in-house specific and developed education
- Supporting members with the tools and services they need to excel personally and professionally in their careers and to be able to give back to the community as a whole.

#### ACLA aims to achieve its vision by:

- upholding in-house lawyers' value of being ethical and independent;
- facilitating inclusive and collaborative relationships within and outside the legal profession;
- promoting the interests, advancement and professional recognition of in-house lawyers; and
- providing in-house lawyers with the education and resources necessary to excel personally and professionally.

### Company Secretary

Rachel Portelli has been Company Secretary since 2015 and resigned on 31 January 2020. Rachel is a consultant CEO and Chartered Secretary, graduate and Fellow of the Governance Institute of Australia, member of the UK Institute of Chartered Secretaries and Administrators (ICSA) and a Graduate of the Australian Institute of Company Directors. Rachel has extensive commercial and not for profit sector senior management and governance experience, including advocating to and engaging effectively with all levels of state and federal government and non-government organisations.

Stephanie Freeman was appointed Company Secretary on 28 March 2020. Stephanie is Acting Senior Legal Counsel at Programmed Maintenance Services Limited. Stephanie has experience in senior roles in a corporate environment. Stephanie was admitted to practice in 2015 and prior to commencing work as a commercial lawyer at Programmed Maintenance Services Limited worked at law firm Thomson Geer for three years practicing in employment and safety law as well as superannuation litigation.

**Australian Corporate Lawyers Association  
Directors' report  
30 June 2020**

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020, and the number of meetings attended by each director were:

| Director                  | No. of meetings attended | No. of meetings eligible to attend |
|---------------------------|--------------------------|------------------------------------|
| Mary Adam                 | 7                        | 8                                  |
| Sandie Angus              | 8                        | 8                                  |
| Genevieve Butler          | 4                        | 5                                  |
| Teresa Cleary             | 8                        | 8                                  |
| Justin Coss               | 8                        | 8                                  |
| Jonathan Downes           | 5                        | 5                                  |
| John Doyle                | 4                        | 5                                  |
| Sayuri Grady              | 1                        | 2                                  |
| Karen Grumley             | 8                        | 8                                  |
| Valerie Hodgins           | 2                        | 2                                  |
| Theo Kapodistrias         | 7                        | 8                                  |
| Scott Long                | 0                        | 0                                  |
| Lori Middlehurst          | 8                        | 8                                  |
| Mei Ramsay                | 8                        | 8                                  |
| Edwina Stevenson (Starck) | 3                        | 5                                  |
| Gillian Wong              | 7                        | 8                                  |
| Anna Young                | 7                        | 8                                  |

**Meetings of Finance, Audit and Risk Committee (FARC)**

The number of Finance, Audit and Risk Committee meetings and the number of meetings attended by each FARC committee member during the year were:

| Committee Member                                          | No. of meetings attended | No. of meetings eligible to attend |
|-----------------------------------------------------------|--------------------------|------------------------------------|
| Teresa Cleary<br>(appointed Chair 10 December 2019)       | 4                        | 4                                  |
| Justin Coss<br>(resigned Committee 22 August 2019)        | 1                        | 1                                  |
| Jon Downes                                                | 2                        | 4                                  |
| Sayuri Grady                                              | 2                        | 2                                  |
| Valerie Hodgins                                           | 2                        | 2                                  |
| Lori Middlehurst                                          | 5                        | 6                                  |
| Carolyn (Mei) Ramsay<br>(resigned Chair 10 December 2019) | 5                        | 6                                  |
| Anna Young                                                | 5                        | 6                                  |

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**Contributions on winding up**

In the event of the company being wound up, every member of the company is required to contribute a maximum of \$100 each.

**Subsequent events**

The alliance organisation ACC US has shown continuous financial support to the Company through their strategic financial initiatives. Funding of \$88,229 was received in July 2020 from ACC US.

**Auditor's independence declaration**

A copy of the auditor's independence declaration is set out immediately after this directors' report.

On behalf of the directors



J Coss  
Director

16<sup>th</sup> September 2020  
Melbourne



C M Ramsay  
Director

24 September 2020  
Melbourne

**Australian Corporate Lawyers Association  
Auditor's Independence Declaration  
30 June 2020**

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**Australian Corporate Lawyers Association**  
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**30 June 2020**

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**General information**

The financial statements cover Australian Corporate Lawyers Association ("ACLA") as an individual entity. The financial statements are presented in Australian dollars, which is the ACLA's functional and presentation currency.

ACLA is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

**Registered Office and Principal place of business**

Level 16, 414 La Trobe Street  
Melbourne VIC 3000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

**Australian Corporate Lawyers Association**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

|                                                                          | Note | 2020<br>\$           | 2019<br>\$             |
|--------------------------------------------------------------------------|------|----------------------|------------------------|
| <b>Income from continuing operations</b>                                 |      |                      |                        |
| Revenue                                                                  | 3a   | 1,211,339            | 1,458,500              |
| Other income                                                             | 3b   | 313,237              | 153,655                |
| <b>Total income from continuing operations</b>                           |      | <u>1,524,576</u>     | <u>1,612,155</u>       |
| <b>Expenses from ordinary activities</b>                                 |      |                      |                        |
| Depreciation and amortisation expenses                                   |      | 24,397               | 22,124                 |
| Salaries and employee benefits expenses                                  | 3c   | 602,148              | 458,161                |
| National office expenses                                                 | 3d   | 232,763              | 260,375                |
| Conference expenses                                                      | 3e   | 480,563              | 682,666                |
| Board and committee expenses                                             |      | 8,959                | 8,364                  |
| Travel expenses                                                          |      | 50,503               | 118,103                |
| Other expenses from ordinary activities                                  | 3f   | 74,294               | 152,609                |
| <b>Total expenses from ordinary activities</b>                           |      | <u>1,473,627</u>     | <u>1,702,402</u>       |
| <b>Surplus/(loss) from ordinary activities before income tax expense</b> |      | <b>50,949</b>        | <b>(90,247)</b>        |
| Income tax expense relating to ordinary activities                       |      | -                    | -                      |
| <b>Surplus/(loss) for the period from continuing operations</b>          |      | <b>50,949</b>        | <b>(90,247)</b>        |
| Other comprehensive income for the year                                  |      | -                    | -                      |
| <b>Total comprehensive income for the year</b>                           |      | <u><b>50,949</b></u> | <u><b>(90,247)</b></u> |

*The above statement of financial position should be read in conjunction with the accompanying notes*



**Australian Corporate Lawyers Association**  
**Statement of financial position**  
**As at 30 June 2020**

|                                      | <b>Note</b> | <b>2020</b><br><b>\$</b> | <b>2019</b><br><b>\$</b> |
|--------------------------------------|-------------|--------------------------|--------------------------|
| <b>CURRENT ASSETS</b>                |             |                          |                          |
| Cash and cash equivalents            | 4           | 345,812                  | 231,807                  |
| Trade and other receivables          | 5           | 212,929                  | 191,912                  |
| <b>TOTAL CURRENT ASSETS</b>          |             | <b>558,741</b>           | <b>423,719</b>           |
| <b>NON-CURRENT ASSETS</b>            |             |                          |                          |
| Plant and equipment                  | 6           | 12,479                   | 32,313                   |
| Other non-current assets             |             | 6,534                    | 6,534                    |
| <b>TOTAL NON-CURRENT ASSETS</b>      |             | <b>19,013</b>            | <b>38,847</b>            |
| <b>TOTAL ASSETS</b>                  |             | <b>577,754</b>           | <b>462,566</b>           |
| <b>CURRENT LIABILITIES</b>           |             |                          |                          |
| Trade and other payables             | 7           | 275,303                  | 232,730                  |
| Provisions                           | 8           | 40,018                   | 22,185                   |
| <b>TOTAL CURRENT LIABILITIES</b>     |             | <b>315,321</b>           | <b>254,915</b>           |
| <b>NON-CURRENT LIABILITIES</b>       |             |                          |                          |
| Trade and other payables             | 7           | 97,000                   | 97,000                   |
| Provisions                           | 8           | 5,983                    | 2,150                    |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |             | <b>102,983</b>           | <b>99,150</b>            |
| <b>TOTAL LIABILITIES</b>             |             | <b>418,304</b>           | <b>354,065</b>           |
| <b>NET ASSETS</b>                    |             | <b>159,450</b>           | <b>108,501</b>           |
| <b>EQUITY</b>                        |             |                          |                          |
| Retained earnings                    |             | 159,450                  | 108,501                  |
| <b>TOTAL EQUITY</b>                  |             | <b>159,450</b>           | <b>108,501</b>           |

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Australian Corporate Lawyers Association**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2020**

|                            | <b>Retained<br/>Earnings<br/>\$</b> |
|----------------------------|-------------------------------------|
| Balance at 1 July 2018     | 198,748                             |
| Loss for the year          | <u>(90,247)</u>                     |
| Balance at 30 June 2019    | <u><u>108,501</u></u>               |
| <br>Balance at 1 July 2019 | <br>108,501                         |
| Surplus for the year       | <u>50,949</u>                       |
| Balance at 30 June 2020    | <u><u>159,450</u></u>               |

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Australian Corporate Lawyers Association**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

|                                                                  | Note | 2020<br>\$     | 2019<br>\$     |
|------------------------------------------------------------------|------|----------------|----------------|
| <b>Cash flows from operating activities</b>                      |      |                |                |
| Receipts from customers (inclusive of GST)                       |      | 2,355,901      | 2,497,904      |
| Payments to suppliers and employees (inclusive of GST)           |      | (2,059,742)    | (2,239,615)    |
| Interest received                                                |      | 187            | 558            |
| Tax paid                                                         |      | (275,763)      | (216,422)      |
| Net cash from operating activities                               |      | <u>20,583</u>  | <u>42,425</u>  |
| <b>Cash flows from investing activities</b>                      |      |                |                |
| Payments for property, plant and equipment                       |      | <u>(4,563)</u> | <u>(1,157)</u> |
| Net cash used in investing activities                            |      | <u>(4,563)</u> | <u>(1,157)</u> |
| <b>Cash flows from financing activities</b>                      |      |                |                |
| Repayment of related party borrowings                            |      | 3,288          | (6,454)        |
| Funding assistance received from related party                   |      | 94,696         | -              |
| Net cash used in financing activities                            |      | <u>97,984</u>  | <u>(6,454)</u> |
| Net increase in cash and cash equivalents                        |      | 114,005        | 34,814         |
| Cash and cash equivalents at the beginning of the financial year |      | <u>231,807</u> | <u>196,993</u> |
| Cash and cash equivalents at the end of the financial year       | 4    | <u>345,812</u> | <u>231,807</u> |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

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

Any new, revised or amending 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 incorporated association.

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

***AASB 15 Revenue from Contracts with Customers***

The incorporated association has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

***AASB 16 Leases***

The incorporated association has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

***AASB 1058 Income of Not-for-Profit Entities***

The incorporated association has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137.

## **Note 1. Significant accounting policies (continued)**

### *AASB 1058 Income of Not-for-Profit Entities (continued)*

The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profits Commission Act 2012*, as appropriate for not-for-profit oriented entities.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### **Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### *Membership revenue*

Membership fees represent a rebate paid from Association of Corporate Counsel Asia Pacific for member fees. As per the integration agreement between the two entities, the Company receives 10% of all membership fees collected by Association of Corporate Counsel Asia Pacific annually.

#### *Corporate Alliance Partner (CAP) Program revenue*

Revenue from CAP program is recognised over the period of the program on the basis that reflects the timing, nature and value of the benefits provided.

#### *Sales revenue*

Revenue from conferences, events, sponsorship, fundraising and project income are recognised when the events take place, or as the case may be, when revenue is received or receivable.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### **Income tax**

As the company is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

**Note 1. Significant accounting policies (continued)**

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

|                        | <b>2020</b>   | <b>2019</b>   |
|------------------------|---------------|---------------|
| Furniture and fittings | 3 to 10 years | 3 to 10 years |
| Office fit-out         | 3 years       | 3 years       |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Note 1. Significant accounting policies (continued)**

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.



**Note 2. Critical accounting judgments, estimates and assumptions**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgments and estimates will seldom equal the related actual results. The judgment, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Coronavirus (COVID-19) pandemic*

Judgment has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the incorporated association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the incorporated association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the incorporated association unfavourably as at the reporting date as a result of the Coronavirus (COVID-19) pandemic.

*Employee benefits provision*

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Unearned income*

As discussed in Note 1, a portion of the revenue from CAP program and membership is recognised on basis that reflects when the benefit is provided. In determining the liabilities, estimation on the timing, nature and value when the revenue is redeemed have been considered.



**Australian Corporate Lawyers Association**  
**Notes to the financial statements**  
**30 June 2020**

**Note 3. Revenue and Expenses**

|                                                      | 2020             | 2019             |
|------------------------------------------------------|------------------|------------------|
| <b>(a) Revenue</b>                                   | <b>\$</b>        | <b>\$</b>        |
| Membership Fees                                      | 135,943          | 98,873           |
| Conferences, events and sponsorship                  | 820,761          | 1,035,744        |
| CAP Income                                           | 142,177          | 199,676          |
| Project Income                                       | 112,458          | 124,207          |
| <b>Total Revenue</b>                                 | <b>1,211,339</b> | <b>1,458,500</b> |
| <b>(b) Other income</b>                              | <b>\$</b>        | <b>\$</b>        |
| Interest                                             | 187              | 558              |
| Royalties income                                     | 29,655           | 50,589           |
| Government subsidies                                 | 163,000          | -                |
| Funding from US                                      | 94,696           | -                |
| Other Income                                         | 25,699           | 102,508          |
| <b>Total other income</b>                            | <b>313,237</b>   | <b>153,655</b>   |
| <b>(c) Salaries and employee benefits expenses</b>   | <b>\$</b>        | <b>\$</b>        |
| Salaries                                             | 539,679          | 417,328          |
| Superannuation                                       | 50,966           | 44,478           |
| Annual leave and Long service leave                  | 21,667           | (4,279)          |
| Other employee benefits                              | (10,164)         | 634              |
| <b>Total salaries and employee benefits expenses</b> | <b>602,148</b>   | <b>458,161</b>   |
| <b>(d) National office expenses</b>                  | <b>\$</b>        | <b>\$</b>        |
| Insurance                                            | 12,926           | 15,950           |
| Accounting fees                                      | 92,221           | 93,820           |
| IT related expenses                                  | 36,016           | 43,718           |
| Office supplies                                      | 885              | 956              |
| Rent                                                 | 47,044           | 44,646           |
| Marketing and promotion                              | 8,924            | 14,028           |
| Others                                               | 34,747           | 47,257           |
| <b>Total national office expenses</b>                | <b>232,763</b>   | <b>260,375</b>   |
| <b>(e) Conference expenses</b>                       | <b>\$</b>        | <b>\$</b>        |
| Conference expense                                   | 400,183          | 548,976          |
| Event expenses                                       | 53,543           | 95,576           |
| Consultant and workshop fees                         | 26,837           | 38,114           |
| <b>Total conference expenses</b>                     | <b>480,563</b>   | <b>682,666</b>   |
| <b>(f) Other expenses</b>                            | <b>\$</b>        | <b>\$</b>        |
| Secretariat fees                                     | 40,517           | 68,238           |
| Telephone & fax                                      | 10,565           | 12,566           |
| Bad Debt                                             | 7,432            | -                |
| Mentoring Program                                    | 8,534            | 65,380           |
| Bank charges                                         | 7,246            | 6,425            |
| <b>Total other expenses</b>                          | <b>74,294</b>    | <b>152,609</b>   |

**Australian Corporate Lawyers Association**  
**Notes to the financial statements**  
**30 June 2020**

**Note 4. Current assets - cash and cash equivalents**

|                                        | 2020           | 2019           |
|----------------------------------------|----------------|----------------|
|                                        | \$             | \$             |
| Cash on hand                           | 333            | 337            |
| Cash at bank                           | 345,479        | 231,470        |
| <b>Total cash and cash equivalents</b> | <b>345,812</b> | <b>231,807</b> |

**Note 5. Current assets - trade and other receivables**

|                                          | 2020           | 2019           |
|------------------------------------------|----------------|----------------|
|                                          | \$             | \$             |
| Trade receivables                        | 88,229         | 132,028        |
| Prepaid expenses                         | 53,700         | 59,884         |
| Other receivables                        | 71,000         | -              |
| <b>Total trade and other receivables</b> | <b>212,929</b> | <b>191,912</b> |

**Note 6. Non-current assets - property, plant and equipment**

|                                  | 2020          | 2019          |
|----------------------------------|---------------|---------------|
|                                  | \$            | \$            |
| Plant and Equipment - at cost    | 76,057        | 107,272       |
| Less Accumulated depreciation    | (63,578)      | (74,959)      |
| <b>Total plant and equipment</b> | <b>12,479</b> | <b>32,313</b> |

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

|                                | Plant & Equipment |
|--------------------------------|-------------------|
|                                | \$                |
| <b>Balance at 1 July 2018</b>  | 53,280            |
| Additions                      | 1,157             |
| Disposal                       | -                 |
| Depreciation expense           | (22,124)          |
| <b>Balance at 30 June 2019</b> | <b>32,313</b>     |
| Additions                      | 4,563             |
| Disposal                       | -                 |
| Depreciation expense           | (24,397)          |
| <b>Balance at 30 June 2020</b> | <b>12,479</b>     |

**Note 7. Trade and other payables**

|                                        | 2020                  | 2019                  |
|----------------------------------------|-----------------------|-----------------------|
| <b>Current</b>                         | <b>\$</b>             | <b>\$</b>             |
| Unearned Income                        | 197,184               | 184,072               |
| Sundry Creditors                       | 78,119                | 2,765                 |
| Other accruals                         | -                     | 45,893                |
| Total current trade and other payables | <u>275,303</u>        | <u>232,730</u>        |
| <b>Non-Current</b>                     |                       |                       |
| Sundry Creditors                       | <u>97,000</u>         | <u>97,000</u>         |
| <b>Total trade and other payables</b>  | <u><b>372,303</b></u> | <u><b>329,730</b></u> |

**Note 8. Provisions**

|                                  | 2020          | 2019          |
|----------------------------------|---------------|---------------|
| <b>Current</b>                   | <b>\$</b>     | <b>\$</b>     |
| Provision for annual leave       | 40,018        | 22,185        |
| <b>Non-Current</b>               |               |               |
| Provision for long service leave | 5,983         | 2,150         |
|                                  | <u>46,001</u> | <u>24,335</u> |

**Note 9. Financial instruments**

**Financial risk management objectives**

The company's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

**Market risk**

Foreign currency risk

The company has received payment from its alliance organisation Association of Corporate Counsel US and is therefore considered to have certain level of exposure foreign currency risk.

**Price risk**

The company is not exposed to commodity and equity securities price risk.

**Interest rate risk**

The company is exposed to very minimal interest rate risk. Refer table 9.1 for the list of financial instruments that are exposed to interest rate risk.

**Credit risk**

The company trades only with recognised, creditworthy third parties.

Receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the company.

Since the company trades only with recognised third parties, there is no requirement for collateral.

Australian Corporate Lawyers Association  
Notes to the financial statements  
30 June 2020

Note 9. Financial instruments (continued)

*Remaining contractual maturities*

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Table 9.1 Interest rate exposure and ageing analysis of financial instruments

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

| Interest rate exposure and aging analysis of financial assets |                                |                        |                     |                        |                      |             |                   |                       |
|---------------------------------------------------------------|--------------------------------|------------------------|---------------------|------------------------|----------------------|-------------|-------------------|-----------------------|
|                                                               | Weighted average interest rate | Interest Rate exposure |                     |                        |                      | Past due by |                   |                       |
|                                                               |                                | Carrying Amount        | Fixed interest rate | Variable interest rate | Non interest bearing | Current     | Less than 1 month | 1-3 months > 3 months |
| 2020                                                          |                                |                        |                     |                        |                      |             |                   |                       |
| Cash on hand                                                  |                                | 333                    | -                   | -                      | -                    | -           | -                 | -                     |
| Cash - floating rate                                          | 0.50%                          | 345,479                | -                   | -                      | -                    | -           | -                 | -                     |
| Receivables                                                   |                                | 88,229                 | -                   | -                      | -                    | 86,579      | 1,650             | -                     |
|                                                               |                                | 434,041                | -                   | -                      | -                    | 86,579      | 1,650             | -                     |
| Other creditors                                               |                                |                        |                     |                        |                      |             |                   |                       |
|                                                               |                                | 78,119                 | -                   | -                      | 78,119               | 51,172      | 15,190            | 11,756                |
|                                                               |                                | 78,119                 | -                   | -                      | 78,119               | 51,172      | 15,190            | 11,756                |
| 2019                                                          |                                |                        |                     |                        |                      |             |                   |                       |
| Cash on hand                                                  |                                | 337                    | -                   | -                      | -                    | -           | -                 | -                     |
| Cash - floating rate                                          | 0.25%                          | 231,470                | -                   | -                      | -                    | -           | -                 | -                     |
| Receivables                                                   |                                | 132,028                | -                   | -                      | 132,028              | 107,240     | 11,000            | 13,788                |
|                                                               |                                | 363,835                | -                   | -                      | 132,028              | 107,240     | 11,000            | 13,788                |
| Other creditors                                               |                                |                        |                     |                        |                      |             |                   |                       |
|                                                               |                                | 145,757                | -                   | -                      | 145,658              | 129,394     | 7,579             | 8,685                 |
|                                                               |                                | 145,757                | -                   | -                      | 145,658              | 129,394     | 7,579             | 8,685                 |

**Note 10. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to members of key management personnel of the company is set out below:

|                              | 2020<br>\$     | 2019<br>\$     |
|------------------------------|----------------|----------------|
| Short-term employee benefits | 156,675        | 132,183        |
| Post-employment benefits     | 14,884         | 12,557         |
|                              | <u>171,559</u> | <u>144,740</u> |

**Note 11. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by RSM Australia, the auditor of the company:

|                                   | 2020<br>\$    | 2019<br>\$    |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | 15,700        | 15,200        |
| Other services                    | 2,500         | 2,500         |
|                                   | <u>18,200</u> | <u>17,700</u> |

**Note 12. Contingent liabilities**

The company had no contingent liabilities as at 30 June 2020 and 30 June 2019.

**Note 13. Commitments**

The Company had no capital commitment as at 30 June 2020 (2019: \$nil).

**Note 14. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 10.

*Transactions with related parties*

The company has an alliance with Association of Corporate Counsel Asia Pacific Ltd (ACC Asia Pac) as per a signed integration agreement. During the year, the company has billed membership rebates and shared expenses at \$60,405 (2019: \$139,595) to ACC Asia Pac. The outstanding balance as at 30 June 2020 is \$3,288 (2019: \$6,286)

During the year, the company also billed chapter advancement of \$94,697 to Associate of Corporate Counsel US. No outstanding balance as at 30 June 2020 (2019: \$87,032).

Outside of ordinary business operation transactions with the Company, there were no related parties transactions that involved key management personnel, their close family members and their personal business interest. No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2019: None noted).

**Note 15. Events after the reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

It has significantly impacted ACLA with cancelled events. It is anticipated that ACLA will still feel the effects after restrictions are lifted with virtual National Conference in November 2020 likely to generate almost 50% less revenue than prior year, and PD workshops are now no longer a viable revenue stream for the business.

Apart from the matter outlined above, no other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

**Australian Corporate Lawyers Association**  
**Directors' declaration**  
**30 June 2020**

In accordance with a resolution of the Directors of Australian Corporate Lawyers Association, we state that

In the directors' opinion:

- the attached financial statements and notes comply with the Accounting Standards, and the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

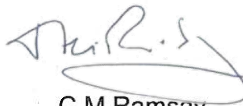
Signed in accordance with a resolution of directors made pursuant to subsection 60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the directors



J Coss  
Director

16<sup>th</sup> September 2020  
Melbourne



C M Ramsay  
Director

16 September 2020  
Melbourne

**Australian Corporate Lawyers Association**  
**Independent auditor's report to the members of Australian Corporate Lawyers**  
**Association**

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**Australian Corporate Lawyers Association**  
**Independent auditor's report to the members of Australian Corporate Lawyers**  
**Association**

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17 September 2020

Mr Robert Miano, Partner  
RSM Australia Pty Ltd  
Level 21, 55 Collins Street  
Melbourne VIC 3000

Dear Sir

This representation letter is provided in connection with your audit of the financial report of Australian Corporate Lawyers Association for the year ended 30 June 2020, for the purpose of expressing an opinion as to whether the financial report is presented fairly, in all material respects, in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act").

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

*Financial Report*

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 19 June 2018, for the preparation of the financial report in accordance with Australian Accounting Standards and the ACNC Act; in particular the financial report is fairly presented in accordance therewith.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
4. All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
5. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.

*Information Provided*

1. We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 2. All transactions have been recorded in the accounting records and are reflected in the financial report.
- 3. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- 4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial report.
- 5. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
- 6. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
- 7. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- 8. We have provided you with all requested information, explanations and assistance for the purposes of the audit.

Yours faithfully



Ingrid Segota  
Executive Director

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# **APPENDIX A**

## **Summary of uncorrected financial report misstatements, including disclosure deficiencies**

| Account Name                                                                                   | Assets<br>DR/(CR) | Liabilities<br>DR/(CR) | Retained<br>Earnings<br>DR/(CR) | Other<br>Equity<br>DR/(CR) | Income<br>Statement<br>DR/(CR) | Total<br>DR/(CR) |
|------------------------------------------------------------------------------------------------|-------------------|------------------------|---------------------------------|----------------------------|--------------------------------|------------------|
| <b>Known Misstatements</b>                                                                     |                   |                        |                                 |                            |                                |                  |
| To reverse out potential overstatement in Prepaid Expense and Trade Creditors                  |                   |                        |                                 |                            |                                |                  |
| Trade creditors                                                                                | 21,945            | -                      | -                               | -                          | -                              |                  |
| Prepayments                                                                                    | -                 | (21,945)               | -                               | -                          | -                              |                  |
| To account for on-costs associated with Annual Leave Provisions (projected)                    |                   |                        |                                 |                            |                                |                  |
| Annual leave                                                                                   | -                 | -                      | -                               | -                          | 3,802                          |                  |
| Provision for annual leave                                                                     | -                 | (3,802)                | -                               | -                          | -                              |                  |
| To account for potential understatement in CAP sales income                                    |                   |                        |                                 |                            |                                |                  |
| Unearned Income – CAP                                                                          | -                 | 3,650                  | -                               | -                          | -                              |                  |
| CAP income                                                                                     | -                 | -                      | -                               | -                          | (3,650)                        |                  |
| <b>Likely Misstatements</b>                                                                    |                   |                        |                                 |                            |                                |                  |
| None noted                                                                                     |                   |                        |                                 |                            |                                |                  |
|                                                                                                |                   |                        |                                 |                            |                                |                  |
|                                                                                                |                   |                        |                                 |                            |                                |                  |
| <b>Carry forward effects of prior year misstatements</b>                                       |                   |                        |                                 |                            |                                |                  |
| To adjust National Conference income that relates to the next financial year FY2020 (Nov 2019) |                   |                        | 14,788                          |                            | (14,788)                       |                  |
|                                                                                                |                   |                        |                                 |                            |                                |                  |
| <b>Total P&amp;L impact</b>                                                                    | -                 | -                      | -                               | -                          | <b>(14,636)</b>                |                  |

| Disclosure Deficiency Identified | Entity Impacted | Amount (where applicable) | Reference |
|----------------------------------|-----------------|---------------------------|-----------|
| None noted                       |                 |                           |           |