

Darwin Community Legal Service Inc.

ABN: 42 840 626 724

**Financial Report For The Year Ended
30 June 2021**

Darwin Community Legal Service Inc.

ABN: 42 840 626 724

Financial Report For The Year Ended 30 June 2021

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Darwin Community Legal Service Inc.

ABN: 42 840 626 724

Board Members' Report

The Board Members submit the financial report of the Darwin Community Legal Service Inc. for the financial year ended 30 June 2021.

Board Members

The names of Committee Members throughout the year and at the date of this report are:

Julie Davis	Chairperson
Peggy Cheong	Secretary / Public Officer (appointed PO 02/06/2020)
Kimmy Jongue	Director / Treasurer (appointed Treasurer 21/05/2020)
Julie Hansen	Director
Samantha Chung	Director (resigned 30/06/2020)
Alastair Shields	Director
Myles Brown	Director (appointed on 03/02/2020)
Dr John Garrick	Director (appointed 22/06/2020, resigned August 2020)
Clarissa Phillips	Director (appointed 22/06/2020)
Julian Vido	Director (appointed 22/06/20, resigned 31/11/2020)
Lucy Markoff	Director (appointed 12/04/2021)
Tom Korecki	Director (appointed 12/04/2021)
Hugh Bond	Director (appointed 10/05/2021)

Board Member 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 Association during the financial year were to provide free legal and advocacy services to disadvantaged and marginalised people in and around the top end of Northern Territory.

Significant Changes

No significant change in the nature of these activities occurred during the financial year.

Operating Result

The Association's operating profit for the financial year amounted to \$289,521 (2020: profit of \$469,536).

Events After the Reporting Period

No matters or circumstance have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of these operations, or the state of affairs of the Association in further financial years.

Julie Davis , Chairperson

Kimmy Jongue , Treasurer

Dated this 05 day of October 2021

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 60-40 OF THE AUSTRALIAN CHARTITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

TO THE DIRECTORS OF DARWIN COMMUNITY LEGAL SERVICE INC

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

(i) the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-Profit Commissions Act 2012*, in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner, Assurance Services

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Dated 5 October 2021

DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue and Other Income			
Grant Income	2A	3,090,714	2,681,444
Interest Income		406	1,011
Membership		292	114
Sales of asset		455	273
Other Income	2B	166,668	224,433
Total operating revenues		3,258,535	2,907,275
Operating Expenses			
Accounting and audit fee		63,079	43,049
Bank Charges		321	433
Consulting and professional fees		98,803	42,717
Employment expenses	3A	2,245,595	1,992,219
Depreciation - Property, Plant and Equipment		13,460	13,100
Depreciation - Right of Use Assets		54,133	54,134
Equipment <\$5000		63,347	13,232
Other expenses	3B	260,500	162,899
Insurance		99,495	26,222
Interest Expense on Lease Liabilities		12,288	14,565
Rental Expense on Short Term Leases		15,009	50,147
Rental Expense on Low Value Assets		3,104	1,869
Repairs and maintenance		6,041	1,166
Refit and relocation		9,102	-
Travel		24,737	21,987
Total operating expenses		2,969,014	2,437,739
Profit for the year		289,521	469,536
Other comprehensive income		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the year		289,521	469,536
NET CURRENT YEAR PROFIT ATTRIBUTABLE TO MEMBERS OF THE ASSOCIATION		289,521	469,536
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ASSOCIATION		289,521	469,536

The accompanying notes form part of these financial statements.

DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	2,091,023	1,584,394
Trade and Other Receivables	5	700	93,806
Other Current Assets	6	45,083	53,569
TOTAL CURRENT ASSETS		<u>2,136,806</u>	<u>1,731,769</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	53,832	51,123
Right of Use Assets	8	226,026	280,159
TOTAL NON-CURRENT ASSETS		<u>279,858</u>	<u>331,282</u>
TOTAL ASSETS		<u>2,416,664</u>	<u>2,063,051</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	211,568	205,148
Other liabilities	10	33,312	-
Lease Liabilities	11	56,680	14,565
Employee Provisions	12	191,984	124,499
TOTAL CURRENT LIABILITIES		<u>493,544</u>	<u>344,212</u>
NON-CURRENT LIABILITIES			
Lease Liabilities	11	179,666	271,893
Employee Provisions	12	6,987	-
TOTAL NON-CURRENT LIABILITIES		<u>186,653</u>	<u>271,893</u>
TOTAL LIABILITIES		<u>680,197</u>	<u>616,105</u>
NET ASSETS		<u>1,736,467</u>	<u>1,446,946</u>
EQUITY			
Reserves	13	194,226	170,583
Retained Earnings		1,542,241	1,276,363
TOTAL EQUITY		<u>1,736,467</u>	<u>1,446,946</u>

The accompanying notes form part of these financial statements.

DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Retained Earnings	Reserves	Total Equity
Note	\$	\$	\$
Balance at 1 July 2019	804,606	172,804	977,410
Application of :			
AASB 16 : Leases	-	-	-
AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities	-	-	-
Implementation of AASB 16, AASB 15 and AASB 1058 1 July 2019	-	-	-
Comprehensive income:			
Profit for the year	469,536	-	469,536
Other comprehensive income for the year	-	-	-
Transfer from (to) reserves	2,221	(2,221)	-
Total comprehensive income attributable to Members of the entity for the year	471,757	(2,221)	469,536
Balance at 30 June 2020	1,276,363	170,583	1,446,946
Balance at 1 July 2020	1,276,363	170,583	1,446,946
Comprehensive income:			
Profit for the year	289,521	-	289,521
Other comprehensive income (Loss) for the year	-	-	-
Transfer from (to) reserves	13 (23,643)	23,643	-
Total comprehensive income attributable to Members of the entity for the year	265,878	23,643	289,521
Balance at 30 June 2021	1,542,241	194,226	1,736,467

The accompanying notes form part of these financial statements.

DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from grants		3,124,026	2,592,332
Interest received		406	1,289
Other receipts		252,078	155,221
Payments to suppliers and employees		(2,791,767)	(2,314,662)
Net cash provided by operating activities	16	584,743	434,180
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposals of property, plant and equipment		455	273
Payment for property, plant and equipment		(16,169)	-
Net cash provided by (used in) investing activities		(15,714)	273
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities		(62,400)	(62,400)
Net cash used in financing activities		(62,400)	(62,400)
Net increase in cash held		506,629	372,053
Cash and cash equivalents at beginning of the financial year		1,584,394	1,212,341
Cash and cash equivalents at end of the financial year	4,16	2,091,023	1,584,394

The accompanying notes form part of these financial statements.

DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 1 Summary of Significant Accounting Policies

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the reporting requirements of the *Northern Territory of Australia Association Act 2003* and the *Australian Charities and Not for Profits Commission (ACNC) Act 2012*. The Committee Members have determined that the Association is not a reporting entity. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue on October 2021 by the Committee Members of the Association.

Statement of Compliance

The financial report has been prepared in accordance with the *Northern Territory of Australia Association Act 2003* and the *Australian Charities and Not for Profits Commission (ACNC) Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: Presentation of Financial Statements, AASB107: Statements of Cash Flow, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031 : Materiality and AASB 1054 : Australian Additional Disclosures; as appropriate for Not-for-Profit oriented entities.

The Association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the Association does not have any subsidiaries, associates or joint ventures. Hence the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

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

Accounting Policies

(a) Revenue and Other Income

Operating Grants, Donations and Bequests

When the Association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Association :

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 116 and AASB138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 1 **Summary of Significant Accounting Policies (Cont.)**

(a) Revenue and Other Income (Cont.)

Interest Income

Interest income is recognised using the effective interest method.

(c) Property, Plant and Equipment

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

Leasehold improvements

Leasehold improvements are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of leasehold improvements and plant and equipment are reviewed annually by Committee Members to ensure they are not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

In the event the carrying amount of leasehold improvements and plant and equipment is greater than their estimated recoverable amount, the carrying amount is written down immediately to their estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 2	Revenue and Other Income		
2A	Grant Income	2021	2020
		\$	\$
	CLC Recurrent Funding	791,354	888,147
	Tenants Advice Service Grant	527,708	517,361
	LPA Grant	17,142	15,000
	NDIS Appeals Grant	123,975	98,705
	Elder Abuse Project Grant	300,000	150,000
	NDIS-Decision Support Grant	60,000	60,000
	OPAN/NACAP Funding	-	45,585
	OPAN/Growth Fund	148,214	-
	SDRS/DSS/NDAP Grant	382,632	376,321
	SDRS/OPAN/NACAP Grant	349,290	308,449
	SDRS/NT DoH/DAS	88,997	88,997
	SDRS/Disab Royal Commission	245,882	118,181
	Minor Grants	55,520	14,698
	Total Grant Income	3,090,714	2,681,444
2B	Other Income		
	ATO Cash Flow Boost	-	100,000
	Insurance Recovery	158,665	35,118
	Unexpended grant b/fw	-	87,431
	Donations	5,606	-
	Sponsorships	2,397	-
	Other income	-	1,884
	Total Other Income	166,668	224,433
Note 3	Expenses		
3A	Employee Cost		
	Salaries and Wages	2,001,559	1,833,493
	Superannuation	169,566	163,039
	Movement in Leave Expenses	74,470	(4,313)
	Total employee cost	2,245,595	1,992,219
3B	Other Expenses		
	Advertising	50,775	9,682
	Archive Cost	6,368	5,553
	Cleaning	12,812	20,811
	Computer expense	37,327	15,741
	Conference	2,217	3,805
	Electricity and water	8,327	8,774
	Membership expense	20,423	8,056
	MV expense	10,425	6,990
	Postage	1,378	972
	Practice Certificate	9,431	3,827
	Printing and stationery	16,172	6,520
	Rights and show expense	6,088	1,843
	Subscriptions	7,969	1,532
	Telephone	27,019	21,036
	Sundry expense	29,775	35,145
	Meeting exp	408	3,615
	Counselling service	13,586	8,997
	Total other expenses	260,500	162,899

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 4	Cash and Cash Equivalents		2021	2020
		Note	\$	\$
	CURRENT			
	Cash at Bank		1,152,544	646,220
	Cash Management Account		938,479	938,174
	Total Cash on Hand and at Bank	16	<u>2,091,023</u>	<u>1,584,394</u>
Note 5	Trade and Other Receivables		2021	2020
			\$	\$
	CURRENT			
	Receivables :			
	Trade receivables		-	-
	Less :Provision for impairment of receivables		-	-
	Total accounts receivable		<u>-</u>	<u>-</u>
	Other Receivables :			
	Cabcharge - Bond		500	500
	Bonds - other		200	-
	ATO Cash Flow Boost Receivable		-	50,000
	Workers Comp Recoverable		-	35,118
	GST receivable (net)		-	8,188
	Total Other receivables		<u>700</u>	<u>93,806</u>
	Total current trade and other receivables		<u>700</u>	<u>93,806</u>
	The Association's normal credit term is 30 days. No collateral is held over trade and other receivables.			
Note 6	Other Current Assets		2021	2020
			\$	\$
	CURRENT			
	Prepayments		45,083	53,569
			<u>45,083</u>	<u>53,569</u>
Note 7	Property, Plant and Equipment		2021	2020
			\$	\$
	Leasehold improvements			
	At cost		75,024	75,024
	Less Accumulated depreciation		(38,499)	(29,896)
	Total Leasehold improvements		<u>36,525</u>	<u>45,128</u>
	Plant and equipment:			
	Furniture:			
	At cost		58,487	42,320
	Less Accumulated depreciation		(41,180)	(36,325)
	Total Plant and equipment		<u>17,307</u>	<u>5,995</u>
	Total Plant and Equipment		<u>17,307</u>	<u>5,995</u>
	Total property, plant and equipment		<u>53,832</u>	<u>51,123</u>

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 7 Property, Plant and Equipment (Cont.)

Movements in Carrying Amounts

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

	Leasehold improvements \$	Plant and Equipment \$	Total \$
Carrying amount at 1 July 2020	45,128	5,995	51,123
Additions at cost	-	16,169	16,169
Opening balances transferred to Note 9: Right of Use Assets	-	-	-
Disposals	-	-	-
Depreciation expense	(8,603)	(4,857)	(13,460)
Carrying amount at 30 June 2021	<u>36,525</u>	<u>17,307</u>	<u>53,832</u>

Note 8 Right of Use Assets

(a) AASB 16 Related Amounts Recognised in the Balance Sheet

	2021 \$	2020 \$
Right of Use Assets		
Leased Buildings	334,293	334,293
Less Accumulated depreciation	(108,267)	(54,134)
	<u>226,026</u>	<u>280,159</u>
Total Right of Use Assets	<u>226,026</u>	<u>280,159</u>

The Association's lease portfolio includes buildings. These leases have an average of 7 years as their lease term and expire on 31st August 2025. the incremental borrowing rate used by the Association is 4.66%, with montly lease payments of \$5,200.

The option to extend or terminate are contained in several of the property leases of the Association. These clauses provide the Association the opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Association. The extension or termination options which were probable to be exercised have been included in the calculation of the Right of Use Asset.

Movements in Carrying Amounts

	Leased Buildings \$	Total \$
Carrying amount at 1 July 2020	280,159	280,159
Recognised on initial application of AASB 16	-	-
Opening balances transferred from Note 8: P,P&E	-	-
Additions at cost	-	-
Depreciation expense	(54,133)	(54,133)
Carrying amount at 30 June 2021	<u>226,026</u>	<u>226,026</u>

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 8 Right of Use Assets (Cont.)

(b) AASB 16 Related Amounts Recognised in the Statement of Profit and Loss

	2021	2020
	\$	\$
Depreciation charge related to right of use assets	54,133	54,134
Interest expense on lease liabilities	12,288	14,565
Short Term leases expense	15,009	50,147
Low value asset leases expenses	3,104	1,869
	84,534	120,715

Note 9 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade creditors	17,456	47,628
Accrued expenses	129,013	107,085
Other payables	254	19,998
PAYG payables	36,197	30,437
GST payable (net)	28,648	-
Total Trade and Other Payables	211,568	205,148

Note 10 Other Liabilities

	2021	2020
	\$	\$
CURRENT		
Contract Liabilities - grant funded programmes	33,312	-
Total Other Liabilities	33,312	-
Contract liabilities - movement in amounts :		
Balance at the beginning of the year	-	
Additions: Grants for which performance obligations will only be satisfied in subsequent years	33,312	
Expended : Grants acquitted or utilised during the year	-	
Closing balance	33,312	

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 11	Lease Liabilities	2021	2020
		\$	\$
	CURRENT		
	Leases - properties	56,680	14,565
		<u>56,680</u>	<u>14,565</u>
	NON-CURRENT		
	Leases - properties	179,666	271,893
		<u>179,666</u>	<u>271,893</u>
	Total Lease Liabilities	<u>236,346</u>	<u>286,458</u>
	The lease liabilities are secured by the underlying assets and are subject to the terms of their individual lease agreements.		
Note 12	Employee Provisions	2021	2020
		\$	\$
	CURRENT		
	Provision for employee benefits: annual leave	182,595	108,675
	Provision for employee benefits: long service leave	9,389	15,824
		<u>191,984</u>	<u>124,499</u>
	NON-CURRENT		
	Provision for employee benefits: long service leave	6,987	-
		<u>6,987</u>	<u>-</u>
	Total provisions for employee benefits	<u>198,971</u>	<u>124,499</u>
	Analysis of total provisions:	Total	
		\$	
	Opening balance at 1 July 2020	124,499	
	Additional provisions raised during the year	74,472	
	Amounts used	-	
	Balance at 30 June 2021	<u>198,971</u>	

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 12 Employee Provisions (Cont.)

Provision For Employee Benefits

Employee provisions represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Association does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(f).

Note 13 Reserves	2021	2020
	\$	\$
Maternity Leave Reserve	116,511	94,835
Redundancy Reserve	77,715	75,748
Total Reserves	<u>194,226</u>	<u>170,583</u>
Movements :		
Transfer to (from) Redundancy Reserve	1,967	(2,221)
Transfer to (from) Maternity Reserve	21,676	-
Transfer to Retained Earnings	<u>23,643</u>	<u>(2,221)</u>

Note 14 Key Management Remuneration	2021	2020
	\$	\$
The totals of remuneration paid to KMP of the Association during the year are as follows:		
Employment benefits	166,483	179,857
Total Key Management Remuneration	<u>166,483</u>	<u>179,857</u>

Note 15 Other Related Party Disclosure

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel or individual or collectively with their close family members.

Transactions between related parties are on commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no other related party transactions in 2021 (2020 :\$Nil).

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 16	Cash Flow Information	Note	2021	2020
			\$	\$
	(a) Reconciliation of cash and cash equivalents to Statement of Cash Flows:			
	Cash on hand and at bank	4	2,091,023	1,584,394
	Total cash as stated in the Statement of cash flows		<u>2,091,023</u>	<u>1,584,394</u>
	(b) Reconciliation of Cash Flow from Operating Activities with Current Year Profit (Loss)			
	Profit (Loss) for the current year		289,521	469,536
	Non-cash flows:			
	Depreciation and amortisation expense		67,593	13,100
	Gain/ (losses) on disposal of property, plant and equipment		(455)	(273)
	Interest expense on lease liabilities		12,288	14,565
	Changes in assets and liabilities:			
	(Increase)/decrease in Trade and other receivables		93,106	(73,782)
	(Increase)/decrease in Prepayments		8,486	(29,598)
	Increase/(decrease) in Trade and other payables		6,420	95,757
	Increase/(decrease) in Other liabilities		33,312	(89,112)
	Increase/(decrease) in Employee provisions		74,472	(20,147)
	Net cash provided by (used in) operating activities		<u>584,743</u>	<u>380,046</u>

Note 17	Capital and Leasing Commitments:	2021	2020
		\$	\$

(a) Lease Commitments

Rental commitments : short term and low value assets

The Association has no short term or low value lease commitments greater than 12 months.

The Association is currently paying a monthly rental of \$1,234 for additional floor space at its office premises. The lease agreements for this area have expired and have not been renewed.

(b) Capital Expenditure Commitments

The Association has no capital expenditure commitments as at 30 June 2021 (2020:\$Nil).

DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Note 18 Contingent Liabilities and Contingent Assets

The Association has no known Contingent Liabilities as at 30 June 2021 (2020:\$Nil).

Note 19 Events After the Reporting Period

No matters or circumstances have arisen since 30 June 2021 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Note 20 Association Details

The Principal place of business is:

75 Woods Street, Darwin City
NT 0800

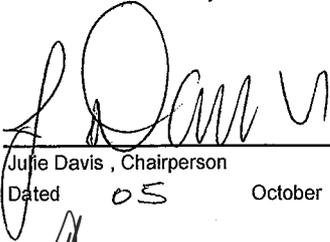
DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724
DECLARATION BY COMMITTEE MEMBERS
FOR THE YEAR ENDED 30 JUNE 2021

The Committee Members have determined that the Association is not a reporting entity and that this special purpose financial report is prepared in accordance with the accounting policies stated in note 1 to the financial statements.

The Committee Members declare that the financial statements as set out on page 3 to 25 are in accordance with the requirements of the *Northern Territory of Australia Association Act 2003* and with the *Australian Charities and Not for Profits Commission Act 2012* and:

- 1 Comply with Australian Accounting Standards as described in note 1 to the financial statements;
- 2 Give a true and fair view of the financial position of the Darwin Community Legal Service Inc. as at 30 June 2021, its performance and cash flows for the year ended on that date; and
- 3 At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the Committee Members and is signed for and on behalf of the Committee Members by:



Julie Davis, Chairperson

Dated 05 October 2021



Kimmy Jorgue, Treasurer

Dated 05 October 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARWIN COMMUNITY LEGAL SERVICE INCORPORATED
REPORT ON THE AUDIT OF THE FINANCIAL REPORT**Opinion**

We have audited the financial report of Darwin Community Legal Service Incorporated ("the Association"), which comprises the statement of financial position as at 30 June 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Board Members' Declaration.

In our opinion the accompanying financial report of Darwin Community Legal Service Incorporated, is in accordance with the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Northern Territory of Australia Associations Act 2003*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial report and the *Australian Charities and Not-for-profits Commission Regulations 2013* and the *Northern Territory of Australia Associations Act 2003*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the independence 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. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board Members' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Northern Territory of Australia Associations Act 2003*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Board Members' Responsibility for the Financial Report

The Board Members of Darwin Community Legal Service Incorporated are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial report and *Australian Charities and Not-for-profits Commission Act 2012* and the *Northern Territory of Australia Associations Act 2003*. This responsibility includes such internal control as the Board Members determine is necessary to enable the preparation of the financial report that gives a true and fair view so that it is free from material misstatement, whether due to fraud or error.

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

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARWIN COMMUNITY LEGAL SERVICE INCORPORATED
(CONT)****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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board Members 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.



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner, Assurance Services

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Dated 5 October 2021