

Darwin Community Legal Service Inc.

ABN: 42 840 626 724

Financial Report For The Year Ended

30 June 2022

Darwin Community Legal Service Inc.

ABN: 42 840 626 724

Financial Report For The Year Ended 30 June 2022

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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 2022.

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
Kimmy Jongue	Director / Treasurer
Julie Hansen	Director
Alastair Shields	Director
Clarissa Phillips	Director
Lucy Markoff	Director
Tom Korecki	Director
Hugh Bond	Director
Myles Brown	Director (resigned on 22/11/2021)

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 Darwin Community Legal Service Inc. (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 surplus for the financial year amounted to \$25,367 (2021: surplus of \$289,521).

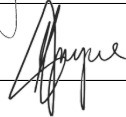
Events After the Reporting Period

There are no matters or circumstances which have arisen since 30 June 2022 that have 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.

Julie Davis , Chairperson



Kimmy Jongue , Treasurer



Dated this day of October 2022

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 2022

	Note	2022 \$	2021 \$
Revenue and Other Income			
Grant Income	2A	3,509,549	3,090,714
Interest Income		132	406
Membership		100	292
Sales of asset		273	455
Other Income	2B	40,861	166,668
Total operating revenues		<u>3,550,915</u>	<u>3,258,535</u>
Operating Expenses			
Accounting services		41,528	52,729
Bank Charges		367	321
Consulting and professional fees		68,899	98,803
Employment expenses	3A	2,569,161	2,245,595
Depreciation - Property, Plant and Equipment		14,952	13,460
Depreciation - Right of Use Assets		81,296	54,133
Equipment <\$5000		64,189	63,347
Other expenses	3B	418,998	270,850
Insurance		184,694	99,495
Interest Expense on Lease Liabilities		10,821	12,288
Rental Expense on Short Term Leases		4,041	15,009
Rental Expense on Low Value Assets		3,835	3,104
Repairs and maintenance		4,505	6,041
Refit and relocation		-	9,102
Travel		58,262	24,737
Total operating expenses		<u>3,525,548</u>	<u>2,969,014</u>
Surplus for the year		<u>25,367</u>	<u>289,521</u>
Other comprehensive income		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>25,367</u>	<u>289,521</u>
NET CURRENT YEAR SURPLUS ATTRIBUTABLE TO MEMBERS OF THE ASSOCIATION		<u>25,367</u>	<u>289,521</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ASSOCIATION		<u>25,367</u>	<u>289,521</u>

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 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	2,057,021	2,091,023
Trade and Other Receivables	5	5,320	700
Other Current Assets	6	16,485	45,083
TOTAL CURRENT ASSETS		2,078,826	2,136,806
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	38,880	53,832
Right of Use Assets	8	167,878	226,026
TOTAL NON-CURRENT ASSETS		206,758	279,858
TOTAL ASSETS		2,285,584	2,416,664
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	102,326	211,568
Other liabilities	10	-	33,312
Lease Liabilities	11	58,660	56,680
Employee Provisions	12	249,376	191,984
TOTAL CURRENT LIABILITIES		410,362	493,544
NON-CURRENT LIABILITIES			
Lease Liabilities	11	113,388	179,666
Employee Provisions	12	-	6,987
TOTAL NON-CURRENT LIABILITIES		113,388	186,653
TOTAL LIABILITIES		523,750	680,197
NET ASSETS		1,761,834	1,736,467
EQUITY			
Reserves	13	272,901	194,226
Retained Earnings		1,488,933	1,542,241
TOTAL EQUITY		1,761,834	1,736,467

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 2022

	Retained Earnings	Reserves	Total Equity
Note	\$	\$	\$
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 for the year	-	-	-
Total comprehensive income attributable to Members of the entity for the year	289,521	-	289,521
Transfer from (to) reserves	13 (23,643)	23,643	-
Balance at 30 June 2021	1,542,241	194,226	1,736,467
Balance at 1 July 2021	1,542,241	194,226	1,736,467
Comprehensive income:			
Profit for the year	25,367	-	25,367
Other comprehensive income (Loss) for the year	-	-	-
Transfer from (to) reserves			
Total comprehensive income attributable to Members of the entity for the year	25,367	-	25,367
Transfer from (to) reserves	13 (78,675)	78,675	-
Balance at 30 June 2022	1,488,933	272,901	1,761,834

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 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from grants		3,476,237	3,124,026
Interest received		132	406
Other receipts		41,161	252,078
Payments to suppliers and employees		(3,453,538)	(2,791,767)
Net cash provided by operating activities	16	63,992	584,743
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposals of property, plant and equipment		273	455
Payment for property, plant and equipment		-	(16,169)
Net cash provided by (used in) investing activities		273	(15,714)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities		(98,267)	(62,400)
Net cash used in financing activities		(98,267)	(62,400)
Net increase in cash held		(34,002)	506,629
Cash and cash equivalents at beginning of the financial year		2,091,023	1,584,394
Cash and cash equivalents at end of the financial year	4,16	2,057,021	2,091,023
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 2022

Note 1 Summary of Significant Accounting Policies

Financial Reporting Framework

The Committee Members have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the reporting requirements of the Northern Territory of Australia Association Act 2003 and the Australian Charities and Not for Profits Commission 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 have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not for Profits Commission Act 2012 and the significant accounting policies disclosed below, which the Committee Members have determined are appropriate to meet the needs of Members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements were authorised for issue on October 2022 by the Committee Members of the Association.

Statement of Compliance

The financial statements have been prepared in accordance with the Northern Territory of Australia Association Act 2003 and with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not for Profits Commission 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: Cash Flow Statements, 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 16, 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 2022

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.

(b) 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(e) 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, 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.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate Life (years)
Leasehold improvements	10%
Plant and equipment	15-30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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

(d) Financial Instruments (Cont.)

Classification and Subsequent Measurement

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Any gains or losses arising on changes in fair value are recognised in profit or loss.

Financial assets

Financial assets are subsequently measured at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss.

Measurement is on the basis of two primary criteria: the contractual cash flow characteristics of the financial asset; and the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost: the financial asset is managed solely to collect contractual cash flows; and the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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

(d) Financial Instruments (Cont.)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset: the right to receive cash flows from the asset has expired or been transferred; all risk and rewards of ownership of the asset have been substantially transferred; and the Association no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Association recognises a loss allowance for expected credit losses on :

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables; and
- contract assets (eg amount due from customers under contracts).

Expected credit losses are the probability- weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Association uses the following approach to impairment, as applicable under AASB 9 : Financial Instruments :

- the simplified approach.

Simplified Approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

The approach is applicable to :

- trade receivables; and
- lease receivables.

Recognition of Expected Credit Losses in Financial Statements

At each reporting date, the Association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

DARWIN COMMUNITY LEGAL SERVICE INC.
ABN: 42 840 626 724
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Note 1 Summary of Significant Accounting Policies (Cont.)

(e) Impairment of Assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised (debited) against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Employee Benefits

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and superannuation. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and superannuation are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Association classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Association's obligation for other long-term employee benefits.

The Association's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

The Association's policy is to provide for long service leave when employees reach 5 years of continuous employment.

Retirement benefit obligations

Defined contribution superannuation benefits

Contributions are made by the Association to employees superannuation funds and are charged as expenses when incurred.

(g) Cash and Cash Equivalents

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

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Note 1

Summary of Significant Accounting Policies (Cont.)

(h) Goods and Services Tax (GST) (cont)

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Income Tax

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

(j) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(k) Comparative Figures

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

(l) Trade and Other Receivables

Trade and other receivables include amounts due from clients for fees and services provided, from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(m) Contract Assets

Contract assets are recognised when the Association has transferred goods or services to the customer and or completed required performance obligations, but has yet to establish unconditional rights to consideration. Contract assets are treated as financial assets for impairment purposes.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Association during the reporting period that remain unpaid at the end of the reporting period. Trade payables are recognised at their transaction price. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Contract Liabilities

Contract liabilities represent the Association's obligation to transfer goods or services to a customer or complete required performance obligations and are recognised when a customer pays consideration, or when the Association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the Association has transferred the goods or services to the customer and or completed required performance obligations.

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Note 2	Revenue and Other Income		
2A	Grant Income	2022	2021
		\$	\$
	CLC Recurrent Funding	801,293	791,354
	Tenants Advice Service Grant	538,262	527,708
	LPA Grant	17,142	17,142
	NDIS Appeals Grant	112,673	123,975
	Elder Abuse Project Grant	300,000	300,000
	NDIS-Decision Support Grant	60,000	60,000
	OPAN/Growth Fund	-	148,214
	SDRS/DSS/NDAP Grant	387,944	382,632
	SDRS/OPAN/NACAP Grant	680,725	349,290
	SDRS/NT DoH/DAS	88,997	88,997
	SDRS/Disab Royal Commission	290,882	245,882
	SDRS/Home Care Cost Educ Proj	112,500	-
	Minor Grants	85,819	55,520
	Unexpended Grant brought forward from prior year	33,312	-
	Total Grant Income	3,509,549	3,090,714
2B	Other Income		
	Apprenticeship Subsidy	3,993	-
	Donations	300	5,606
	Insurance Recovery	35,613	158,665
	Sponsorships	955	2,397
	Total Other Income	40,861	166,668
Note 3	Expenses		
3A	Employee Cost		
	Salaries and Wages	2,297,753	2,001,559
	Superannuation	221,003	169,566
	Provision for leave entitlements	50,405	74,470
	Total employee cost	2,569,161	2,245,595
3B	Other Expenses		
	Advertising	55,690	50,775
	Archive Cost	6,258	6,368
	Audit fees	9,250	10,350
	Cleaning	14,573	12,812
	Computer and IT expenses	143,800	37,327
	Conference	12,209	2,217
	Counselling service	11,771	13,586
	Electricity and water	9,325	8,327
	Functions and Venue hire	19,560	6,088
	Internet and email expenses	1,330	408
	Membership expense	16,766	20,423
	MV expense	11,107	10,425
	Postage	1,380	1,378
	Practice Certificate	9,302	9,431
	Printing and stationery	17,062	16,172
	Staff training and development	19,680	10,882
	Subscriptions	7,289	7,969
	Sundry expenses	20,304	18,893
	Telephone	32,342	27,019
	Total other expenses	418,998	270,850

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Note 4	Cash and Cash Equivalents	2022	2021
	Note	\$	\$
	CURRENT		
	Cash at Bank	1,118,450	1,152,544
	Cash Management Account	938,571	938,479
	Total Cash on Hand and at Bank	2,057,021	2,091,023
		2,057,021	2,091,023
Note 5	Trade and Other Receivables	2022	2021
		\$	\$
	CURRENT		
	Receivables :		
	Other Receivables :		
	Cabcharge - Bond	500	500
	Bonds - other	-	200
	GST receivable (net)	4,820	-
	Total Other receivables	5,320	700
	Total current trade and other receivables	5,320	700
Note 6	Other Current Assets	2022	2021
		\$	\$
	CURRENT		
	Prepayments	16,485	45,083
		16,485	45,083
Note 7	Property, Plant and Equipment	2022	2021
		\$	\$
	Leasehold improvements		
	At cost	75,024	75,024
	Less Accumulated depreciation	(47,103)	(38,499)
	Total Leasehold improvements	27,921	36,525
	Plant and equipment:		
	Furniture:		
	At cost	58,487	58,487
	Less Accumulated depreciation	(47,528)	(41,180)
	Total Plant and equipment	10,959	17,307
	Total Property, Plant and Equipment	38,880	53,832

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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 2021	36,525	17,307	53,832
Additions at cost	-	-	-
Disposals	-	-	-
Depreciation expense	(8,604)	(6,348)	(14,952)
Carrying amount at 30 June 2022	<u>27,921</u>	<u>10,959</u>	<u>38,880</u>

Note 8 Right of Use Assets

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

	2022 \$	2021 \$
Right of Use Assets		
Leased Buildings	215,495	334,293
Less Accumulated depreciation	(67,923)	(108,267)
	<u>147,572</u>	<u>226,026</u>
Leased Motor Vehicles	33,679	-
Less Accumulated depreciation	(13,373)	-
	<u>20,306</u>	<u>-</u>
Total Right of Use Assets	<u>167,878</u>	<u>226,026</u>

The Association's lease portfolio includes buildings and motor vehicles. The buildings have an average of 10 years and expire on 31st August 2025. The incremental borrowing rate used by the Association is 4.66%, with monthly lease payments of \$6,100. The motor vehicles have an average of 3 years as their lease term. The option to extend or terminate are contained in property leases of the Association. There were no extension options for motor vehicles. These clauses provide the Association the opportunities to manage leases in order to align with its strategies.

Movements in Carrying Amounts

	Leased Buildings \$	Leased Motor Vehicles	Total \$
Carrying amount at 1 July 2021	226,026	-	226,026
Additions to right-of-use assets	-	33,679	33,679
Disposals of right-of-use assets	(10,531)	-	(10,531)
Depreciation expense	(67,923)	(13,373)	(81,296)
Carrying amount at 30 June 2022	<u>147,572</u>	<u>20,306</u>	<u>167,878</u>

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Note 8 Right of Use Assets (Cont.)

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

	2022	2021
	\$	\$
Depreciation charge related to right of use assets	81,296	54,133
Interest expense on lease liabilities	10,821	12,288
Short Term leases expense	4,041	15,009
Low value asset leases expenses	3,835	3,104
	<u>99,993</u>	<u>84,534</u>

Note 9 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade creditors	5,160	17,456
Accrued expenses	39,467	129,013
Other payables	1,309	254
PAYG payables	56,390	36,197
GST payable (net)	-	28,648
Total Trade and Other Payables	<u>102,326</u>	<u>211,568</u>

Note 10 Other Liabilities

	2022	2021
	\$	\$
CURRENT		
Contract Liabilities - grant funded programmes	-	33,312
Total Other Liabilities	<u>-</u>	<u>33,312</u>

Contract liabilities - movement in amounts :

Balance at the beginning of the year	33,312
Additions: Grants for which performance obligations will only be satisfied in subsequent years	-
Expended : Grants acquitted or utilised during the year	(33,312)
Closing balance	<u>-</u>

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Note 11	Lease Liabilities	2022	2021
		\$	\$
	CURRENT		
	Leases - properties	47,627	56,680
	Leases - motor vehicles	11,033	-
		58,660	56,680
	NON-CURRENT		
	Leases - properties	103,344	179,666
	Leases - motor vehicles	10,044	-
		113,388	179,666
	Total Lease Liabilities	172,048	236,346
	The lease liabilities are secured by the underlying assets and are subject to the terms of their individual lease agreements.		
Note 12	Employee Provisions	2022	2021
		\$	\$
	CURRENT		
	Provision for annual leave entitlements	237,754	182,595
	Provision for long service leave entitlements	11,622	9,389
		249,376	191,984
	NON-CURRENT		
	Provision for long service leave entitlements	-	6,987
		-	6,987
	Total provisions for employee benefits	249,376	198,971
	Analysis of total provisions:	Total	
		\$	
	Opening balance at 1 July 2021	198,971	
	Additional provisions raised during the year	50,405	
	Amounts used	-	
	Balance at 30 June 2022	249,376	

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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	2022	2021
	\$	\$
Maternity Leave Reserve	156,008	116,511
Redundancy Reserve	116,893	77,715
Total Reserves	272,901	194,226
Movements :		
Transfer to (from) Maternity Reserve	39,497	21,676
Transfer to (from) Redundancy Reserve	39,178	1,967
Transfer from Retained Earnings	78,675	23,643

Note 14 Key Management Remuneration	2022	2021
	\$	\$
The totals of remuneration paid to KMP of the Association during the year are as follows:		
Employment benefits	141,708	166,483
Total Key Management Remuneration	141,708	166,483

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 2022 (2021 :\$Nil).

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Note 16	Cash Flow Information	Note	2022	2021
			\$	\$
	(a) Reconciliation of cash and cash equivalents to Statement of Cash Flows:			
	Cash on hand and at bank	4	2,057,021	2,091,023
	Total cash as stated in the Statement of cash flows		<u>2,057,021</u>	<u>2,091,023</u>
	(b) Reconciliation of Cash Flow from Operating Activities with Current Year Surplus			
	Surplus for the current year		25,367	289,521
	Non-cash flows:			
	Depreciation and amortisation expense		96,248	13,460
	Gain/ (losses) on disposal of property, plant and equipment		(273)	(455)
	Interest expense on lease liabilities		10,821	12,288
	Changes in assets and liabilities:			
	(Increase)/decrease in Trade and other receivables		(4,620)	(73,782)
	(Increase)/decrease in Prepayments		28,598	(29,598)
	Increase/(decrease) in Trade and other payables		(109,242)	95,757
	Increase/(decrease) in Other liabilities		(33,312)	(89,112)
	Increase/(decrease) in Employee provisions		50,405	(20,147)
	Net cash provided by (used in) operating activities		<u>63,992</u>	<u>197,932</u>
Note 17	Capital and Leasing Commitments:		2022	2021
			\$	\$
	(a) Lease Liability Commitments :			
	— not later than 1 year		88,672	88,672
	— later than 1 year but not later than five years		173,495	231,800
	— later than five years		-	
			<u>262,167</u>	<u>320,472</u>
	(b) Operating Lease Commitments			
	Rental commitments : short term and low value assets			
	Payable – minimum lease payments :			
	— Short term leases : not later than one year		4,444	4,444
	— Low value assets : not later than one year		553	553
	— Low value assets : later than 1 year but not later than five years		203	756
	Total Operating Lease Commitments		<u>5,200</u>	<u>5,753</u>
	(b) Capital Expenditure Commitments			

The Association has no capital expenditure commitments as at 30 June 2022 (2021: \$Nil).

DARWIN COMMUNITY LEGAL SERVICE INC.
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Note 18 Contingent Liabilities and Contingent Assets

The Association has no known Contingent Liabilities as at 30 June 2022 (2021: \$Nil).

Note 19 Events After the Reporting Period

No matters or circumstances have arisen since 30 June 2022 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 2022

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 22 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 2022, 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 October 2022

Kimmy Jongue , Treasurer

Dated October 2022