

# **Darwin Community Legal Service Inc.**

**ABN: 42 840 626 724**

**Financial Report For The Year Ended  
30 June 2023**

# Darwin Community Legal Service Inc.

ABN: 42 840 626 724

## Financial Report For The Year Ended 30 June 2023

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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 2023.

**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
Hugh Bond	Director
Tom Korecki	Director
Lucy Markoff	Director
Clarissa Phillips	Director
Alastair Shields	Director
Julie Hansen	Director - resigned November 2022

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 \$69,121 (2022: surplus of \$25,367).

**Events After the Reporting Period**

There are no matters or circumstances which have arisen since 30 June 2023 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 30 day of September 2023

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

**TO THE MEMBERS OF DARWIN COMMUNITY LEGAL SERVICE INCORPORATED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Australian Charities Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall NT  
Chartered Accountants



Noel Clifford  
Partner

Dated: 05 October 2023

**Nexia Edwards Marshall NT**

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**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 2023**

	Note	2023 \$	2022 \$
<b>Revenue and Other Income</b>			
Grant Income	2A	3,750,249	3,509,549
Interest Income		9,000	132
Membership		46	100
Sales of asset		7,273	273
Other Income	2B	29,421	40,861
<b>Total operating revenues</b>		<b>3,795,989</b>	<b>3,550,915</b>
<b>Operating Expenses</b>			
Accounting services		40,438	41,528
Bank Charges		563	367
Consulting and professional fees		27,317	68,899
Employment expenses	3A	2,806,818	2,569,161
Depreciation - Property, Plant and Equipment		13,454	14,952
Depreciation - Right of Use Assets		89,683	81,296
Equipment <\$5000		9,378	64,189
Other expenses	3B	384,048	418,998
Insurance		227,468	184,694
Interest Expense on Lease Liabilities		7,861	10,821
Rental Expense on Short Term Leases		4,041	4,041
Rental Expense on Low Value Assets		4,885	3,835
Repairs and Maintenance		2,032	4,505
Travel		108,882	58,262
<b>Total operating expenses</b>		<b>3,726,868</b>	<b>3,525,548</b>
<b>Surplus for the year</b>		<b>69,121</b>	<b>25,367</b>
<b>Other comprehensive income</b>		-	-
<b>Total Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>69,121</b>	<b>25,367</b>
<b>NET CURRENT YEAR SURPLUS ATTRIBUTABLE TO MEMBERS OF THE ASSOCIATION</b>		<b>69,121</b>	<b>25,367</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ASSOCIATION</b>		<b>69,121</b>	<b>25,367</b>

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 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	2,415,177	2,057,021
Trade and Other Receivables	5	1,550	5,320
Other Current Assets	6	13,938	16,485
<b>TOTAL CURRENT ASSETS</b>		<b>2,430,665</b>	<b>2,078,826</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	25,426	38,880
Right of Use Assets	8	96,360	167,878
<b>TOTAL NON-CURRENT ASSETS</b>		<b>121,786</b>	<b>206,758</b>
<b>TOTAL ASSETS</b>		<b>2,552,451</b>	<b>2,285,584</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	166,632	102,326
Other liabilities	10	151,375	-
Lease Liabilities	11	56,018	68,704
Employee Provisions	12	290,251	249,376
<b>TOTAL CURRENT LIABILITIES</b>		<b>664,276</b>	<b>420,406</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liabilities	11	44,950	103,344
Employee Provisions	12	12,270	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>57,220</b>	<b>103,344</b>
<b>TOTAL LIABILITIES</b>		<b>721,496</b>	<b>523,750</b>
<b>NET ASSETS</b>		<b>1,830,955</b>	<b>1,761,834</b>
<b>EQUITY</b>			
Reserves	13	318,484	272,901
Retained Earnings		1,512,471	1,488,933
<b>TOTAL EQUITY</b>		<b>1,830,955</b>	<b>1,761,834</b>

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 2023**

	Retained Earnings	Reserves	Total Equity
Note	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>1,542,241</b>	<b>194,226</b>	<b>1,736,467</b>
<b>Comprehensive income:</b>			
Profit for the year	25,367	-	25,367
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income attributable to Members of the Association for the year</b>	<b>25,367</b>	<b>-</b>	<b>25,367</b>
Transfer from (to) reserves	13 (78,675)	78,675	-
<b>Balance at 30 June 2022</b>	<b>1,488,933</b>	<b>272,901</b>	<b>1,761,834</b>
<b>Balance at 1 July 2022</b>	<b>1,488,933</b>	<b>272,901</b>	<b>1,761,834</b>
<b>Comprehensive income:</b>			
Profit for the year	69,121	-	69,121
Other comprehensive income (Loss) for the year	-	-	-
<b>Total comprehensive income attributable to Members of the Association for the year</b>	<b>69,121</b>	<b>-</b>	<b>69,121</b>
Transfer from (to) reserves	13 (45,583)	45,583	-
<b>Balance at 30 June 2023</b>	<b>1,512,471</b>	<b>318,484</b>	<b>1,830,955</b>

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 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipt from grants		3,901,624	3,476,237
Interest received		7,950	132
Other receipts		29,467	41,161
Payments to suppliers and employees		(3,491,052)	(3,453,538)
Net cash provided by operating activities	16	<b>447,989</b>	<b>63,992</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposals of property, plant and equipment		7,273	273
Payment for property, plant and equipment		-	-
Net cash provided by (used in) investing activities		<b>7,273</b>	<b>273</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for lease liabilities		(97,106)	(98,267)
Net cash used in financing activities		<b>(97,106)</b>	<b>(98,267)</b>
Net increase in cash held		<b>358,156</b>	<b>(34,002)</b>
Cash and cash equivalents at beginning of the financial year		2,057,021	2,091,023
Cash and cash equivalents at end of the financial year	4,16	<b>2,415,177</b>	<b>2,057,021</b>

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 2023**

**Note 1      Summary of Significant Accounting Policies**

The financial statements cover Darwin Community Legal Service Inc. as an individual entity incorporated and domiciled in Australia. Darwin Community Legal Service Inc. is an Association registered under the *Northern Territory of Australia Association Act 2003*.

**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      September 2023 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**

The Association is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the Association is required to consider whether any other financial statement elements should be recognised (for example financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss.

**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.**  
**ABN: 42 840 626 724**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

**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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate Life (years)</b>
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 2023**

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

**(c) Leases**

**The Association as Lessee**

At inception of a contract, the Association assess if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However all contracts that are classified as short term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating lease on a straight-line basis over the term of the lease.

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

Lease payments included in the measurement of the lease liability are as follows :

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(d) Financial Instruments**

***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Association commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: Revenue from Contracts with Customers.

**DARWIN COMMUNITY LEGAL SERVICE INC.**  
**ABN: 42 840 626 724**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

**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 profit or loss.

**DARWIN COMMUNITY LEGAL SERVICE INC.**  
**ABN: 42 840 626 724**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

**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; 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 recognitionThe 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.

**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 2023**

**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.

**DARWIN COMMUNITY LEGAL SERVICE INC.**  
**ABN: 42 840 626 724**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

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

**(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).

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.**  
**ABN: 42 840 626 724**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

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

**(q) Critical Accounting Estimates and Judgements**

The Committee Members evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Key estimates**

**(i) Impairment- General**

The Association assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Association that may be indicative of impairment triggers.

***Impairment of leasehold improvements and plant and equipment***

The Association assesses impairment of leasehold improvements and plant and equipment at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. There was no provision for impairment of leasehold improvements and plant and equipment at 30 June 2023 (2022: \$Nil).

***(ii) Useful lives of property, plant and equipment***

The Association reviews the estimated useful lives of leasehold improvements and plant and equipment at the end of each reporting period, based on the expected utility of the assets.

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Key judgments**

**(i) Performance Obligations Under AASB 15**

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised services. In making this assessment, management includes the nature / type, cost /value, quantity and the period of transfer related to the services promised.

**(ii) Lease Term and Option to Extend under AASB 16**

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Association will make. The Association determines the likeliness to exercise the options on a lease-by lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

**(r) Economic Dependence**

The Association is dependent on Commonwealth and NT Government grants for the majority of its revenue to operate its programs and business. At the date of this report, the Committee Members have no reason to believe that the above governments will not continue to support the Association. The operations and future success of the Association is dependent upon the continued support and funding by the government bodies, its members and donors and the achievement of operating surpluses and positive operating cash flows.





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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

<b>2</b>	<b>Revenue and Other Income</b>		
<b>2A</b>	<b>Grant Income</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	CLC Recurrent Funding	809,907	801,293
	Tenants Advice Service Grant	549,028	538,262
	LPA Grant	17,143	17,142
	NDIS Appeals Grant	112,941	112,673
	NDIS-Decision Support Grant	150,000	-
	NDIS Appeals Special	300,000	300,000
	Elder Abuse Project Grant	64,526	60,000
	NDIS-Decision Support Grant	37,230	-
	Points of Access	65,952	-
	Advocacy Funding	412,426	387,944
	SDRS/DSS/NDAP Grant	699,100	680,725
	SDRS/OPAN/NACAP Grant	88,708	88,997
	SDRS/NT DoH/DAS	316,897	290,882
	SDRS/Disab Royal Commission	112,500	112,500
	SDRS/Home Care Cost Educ Proj	13,891	85,819
	Minor Grants	-	33,312
	Unexpended Grant brought forward from prior year	-	-
	<b>Total Grant Income</b>	<b>3,750,249</b>	<b>3,509,549</b>
<b>2B</b>	<b>Other Income</b>		
	Apprenticeship Subsidy	-	3,993
	Donations	-	300
	Insurance Recovery	8,566	35,613
	Legal and Other Costs Recovered	4,900	-
	Professional Services Rendered	13,182	-
	Sponsorships	2,773	955
	<b>Total Other Income</b>	<b>29,421</b>	<b>40,861</b>
<b>Note 3</b>	<b>Expenses</b>		
<b>3A</b>	<b>Employee Cost</b>		
	Salaries and Wages	2,499,703	2,297,753
	Superannuation	253,969	221,003
	Provision for leave entitlements	53,146	50,405
	<b>Total employee cost</b>	<b>2,806,818</b>	<b>2,569,161</b>
<b>3B</b>	<b>Other Expenses</b>		
	Advertising	69,246	55,690
	Archive Cost	12,605	6,258
	Audit fees	7,100	9,250
	Cleaning	14,084	14,573
	Computer and IT expenses	93,221	143,800
	Conference	26,506	12,209
	Counselling service	5,442	11,771
	Electricity and water	9,693	9,325
	Functions and Venue hire	14,757	19,560
	Internet and email expenses	2,280	1,330
	Legal costs	4,044	-
	Membership expense	15,834	16,766
	MV expense	12,761	11,107
	Postage	1,475	1,380
	Practice Certificate	15,799	9,302
	Printing and stationery	16,606	17,062
	Staff training and development	22,198	19,680
	Subscriptions	7,684	7,289
	Sundry expenses	19,825	20,304
	Telephone	12,888	32,342
	<b>Total other expenses</b>	<b>384,048</b>	<b>418,998</b>

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

<b>Note 4</b>	<b>Cash and Cash Equivalents</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
			<b>\$</b>	<b>\$</b>
	<b>CURRENT</b>			
	Cash at Bank		1,468,657	1,118,450
	Cash Management Account		946,520	938,571
	<b>Total Cash on Hand and at Bank</b>	16	2,415,177	2,057,021
<b>Note 5</b>	<b>Trade and Other Receivables</b>		<b>2023</b>	<b>2022</b>
			<b>\$</b>	<b>\$</b>
	<b>CURRENT</b>			
	<b>Receivables :</b>			
	<b>Other Receivables :</b>			
	Cabcharge - Bond		500	500
	Accrued interest receivable		1,050	-
	GST receivable (net)		-	4,820
	<b>Total Other receivables</b>		1,550	5,320
	<b>Total current trade and other receivables</b>		1,550	5,320
<b>Note 6</b>	<b>Other Current Assets</b>		<b>2023</b>	<b>2022</b>
			<b>\$</b>	<b>\$</b>
	<b>CURRENT</b>			
	Prepayments		13,938	16,485
			13,938	16,485
<b>Note 7</b>	<b>Property, Plant and Equipment</b>		<b>2023</b>	<b>2022</b>
			<b>\$</b>	<b>\$</b>
	<b>Leasehold improvements</b>			
	At cost		75,024	75,024
	Less Accumulated depreciation		(55,706)	(47,103)
	<b>Total Leasehold improvements</b>		19,318	27,921
	<b>Plant and equipment:</b>			
	<b>Furniture:</b>			
	At cost		58,487	58,487
	Less Accumulated depreciation		(52,379)	(47,528)
	<b>Total Plant and equipment</b>		6,108	10,959
	<b>Total Property, Plant and Equipment</b>		25,426	38,880

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

**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 \$
<b>Carrying amount at 1 July 2022</b>	27,921	10,959	38,880
Additions at cost	-	-	-
Disposals	-	-	-
Depreciation expense	(8,603)	(4,851)	(13,454)
<b>Carrying amount at 30 June 2023</b>	<u>19,318</u>	<u>6,108</u>	<u>25,426</u>

**Note 8 Right of Use Assets  
(a) AASB 16 Related Amounts Recognised in the Balance Sheet**

	2023 \$	2022 \$
Right of Use Assets		
Leased Buildings	215,495	215,495
Less Accumulated depreciation	(135,847)	(67,923)
	<u>79,648</u>	<u>147,572</u>
Leased Motor Vehicles	51,844	33,679
Less Accumulated depreciation	(35,132)	(13,373)
	<u>16,712</u>	<u>20,306</u>
<b>Total Right of Use Assets</b>	<u>96,360</u>	<u>167,878</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 \$
<b>Carrying amount at 1 July 2022</b>	147,572	20,306	167,878
Additions to right-of-use assets	-	18,165	18,165
Disposals of right-of-use assets	-	-	-
Depreciation expense	(67,924)	(21,759)	(89,683)
<b>Carrying amount at 30 June 2023</b>	<u>79,648</u>	<u>16,712</u>	<u>96,360</u>

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

**Note 8 Right of Use Assets (Cont.)**

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

	<b>2023</b>	<b>2022</b>
	\$	\$
Depreciation charge related to right of use assets	89,683	81,296
Interest expense on lease liabilities	7,861	10,821
Short Term leases expense	4,041	4,041
Low value asset leases expenses	4,885	3,835
	<b>106,470</b>	<b>99,993</b>

**Note 9 Trade and Other Payables**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>CURRENT</b>		
Trade creditors	39,259	5,160
Accrued expenses	56,893	39,467
Other payables	-	1,309
PAYG payables	57,385	56,390
GST payable (net)	13,095	-
	<b>166,632</b>	<b>102,326</b>

**Note 10 Other Liabilities :**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Contract Liabilities</b>		
<b>CURRENT</b>		
Revenue received in advance	151,375	-
	<b>151,375</b>	<b>-</b>

**Contract liabilities - movement in amounts :**

Balance at the beginning of the year	-	
Additions: Revenue for which performance obligations will only be satisfied in subsequent years	151,375	
Expended : revenue utilised during the year	-	
	<b>151,375</b>	
Closing balance	<b>151,375</b>	

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

<b>Note 11</b>	<b>Lease Liabilities</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	<b>CURRENT</b>		
	Leases - properties	38,424	47,627
	Leases - motor vehicles	17,594	21,077
		56,018	68,704
	<b>NON-CURRENT</b>		
	Leases - properties	44,950	103,344
	Leases - motor vehicles	-	-
		44,950	103,344
	<b>Total Lease Liabilities</b>	100,968	172,048
	The lease liabilities are secured by the underlying assets and are subject to the terms of their individual lease agreements.		
<b>Note 12</b>	<b>Employee Provisions</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
	<b>CURRENT</b>		
	Provision for annual leave entitlements	273,397	237,754
	Provision for long service leave entitlements	16,854	11,622
		290,251	249,376
	<b>NON-CURRENT</b>		
	Provision for long service leave entitlements	12,270	-
		12,270	-
	<b>Total provisions for employee benefits</b>	302,521	249,376
	<b>Analysis of total provisions:</b>	<b>Total</b>	
		<b>\$</b>	
	<b>Opening balance at 1 July 2022</b>	249,376	
	Additional provisions (net) raised during the year	53,145	
	<b>Balance at 30 June 2023</b>	302,521	

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

**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).

<b>Note 13 Reserves</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Maternity Leave Reserve	155,637	156,008
Redundancy Reserve	162,847	116,893
<b>Total Reserves</b>	<u><u>318,484</u></u>	<u><u>272,901</u></u>
Movements :		
Transfer to (from) Maternity Reserve	(371)	39,497
Transfer to (from) Redundancy Reserve	45,954	39,178
Transfer from Retained Earnings	<u><u>45,583</u></u>	<u><u>78,675</u></u>

<b>Note 14 Key Management Remuneration</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Any persons having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, including any Committee Member (whether executive or otherwise) of the Association, is considered to be Key Management Personnel (KMP).		
The totals of remuneration paid to KMP of the Association during the year are as follows:		
Employment benefits	144,127	141,708
<b>Total Key Management Remuneration</b>	<u><u>144,127</u></u>	<u><u>141,708</u></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 2023 (2022 :\$Nil).

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

<b>Note 16</b>	<b>Cash Flow Information</b>	<b>Note</b>	<b>2023</b> \$	<b>2022</b> \$
	<b>(a) Reconciliation of cash and cash equivalents to Statement of Cash Flows:</b>			
	Cash on hand and at bank	4	2,415,177	2,057,021
	<b>Total cash as stated in the Statement of cash flows</b>		<b>2,415,177</b>	<b>2,057,021</b>
	<b>(b) Reconciliation of Cash Flow from Operating Activities with Current Year Surplus</b>			
	Surplus for the current year		69,121	25,367
	<b>Non-cash flows:</b>			
	Depreciation and amortisation expense		103,137	96,248
	Gain/ (losses) on disposal of property, plant and equipment		(7,273)	(273)
	Interest expense on lease liabilities		7,861	10,821
	<b>Changes in assets and liabilities:</b>			
	(Increase)/decrease in Trade and other receivables		3,770	(4,620)
	(Increase)/decrease in Prepayments		2,547	28,598
	Increase/(decrease) in Trade and other payables		64,306	(109,242)
	Increase/(decrease) in Other liabilities		151,375	(33,312)
	Increase/(decrease) in Employee provisions		53,145	50,405
	<b>Net cash provided by operating activities</b>		<b>447,989</b>	<b>63,992</b>
<b>Note 17</b>	<b>Capital and Leasing Commitments:</b>		<b>2023</b> \$	<b>2022</b> \$
	<b>(a) Lease Liability Commitments :</b>			
	— not later than 1 year		96,189	88,672
	— later than 1 year but not later than five years		7,588	173,495
	— later than five years		-	
			<b>103,777</b>	<b>262,167</b>
	<b>(b) Operating Lease Commitments</b>			
	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
	<b>Total Operating Lease Commitments</b>		<b>5,200</b>	<b>5,753</b>

**(b) Capital Expenditure Commitments**

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



NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

**Note 18 Contingent Liabilities and Contingent Assets**

The Association has no known Contingent Liabilities as at 30 June 2023 (2022: \$Nil).

**Note 19 Events After the Reporting Period**

No matters or circumstances have arisen since 30 June 2023 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 2023**

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 23 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 applicable to the Association 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 2023, 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.

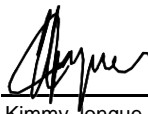
This declaration is made in accordance with a resolution of the Committee Members and with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2022 and is signed for and on behalf of the Committee Members by:



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Julie Davis , Chairperson

Dated 29 September 2023



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Kimmy Jongue , Treasurer

Dated 30 September 2023

**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 accompanying financial report of Darwin Community Legal Service Incorporated ("the Association"), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the declaration by members of the committee.

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

- a. giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 of the financial report and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*; and
- c. the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association.

**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 auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**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 Committee Members financial reporting responsibilities under 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.

**Information Other than the Financial Report and Auditor's Report Thereon**

The Committee Members are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARWIN COMMUNITY LEGAL SERVICE INCORPORATED REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONT.)**

### **Responsibilities of the Committee Members for the financial report**

The Committee Members of the Association 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 of the financial report and the *Northern Territory of Australia Associations Act 2003* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Committee Members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee 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 directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 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 the Committee Members.
- Conclude on the appropriateness use of the Committee Members' 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 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARWIN COMMUNITY LEGAL SERVICE INCORPORATED  
REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONT.)**

We communicate with the Committee 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  
Dated: 05 October 2023

