

Northern Territory Council of Social Services Incorporated

ABN 19 556 236 404

Annual Report - 30 June 2023

Northern Territory Council of Social Services Incorporated

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General information

The financial statements cover Northern Territory Council of Social Services Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Northern Territory Council of Social Services Incorporated's functional and presentation currency.

Northern Territory Council of Social Services Incorporated is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

2/5 Goyder Road
Parap NT 0820

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

The financial statements were authorised for issue on 31 October 2023.

Northern Territory Council of Social Services Incorporated
Committee's report
30 June 2023

The Committee members present their report, together with the financial statements, on Northern Territory Council of Social Services Incorporated for the year ended 30 June 2023.

Committee members

The following persons were committee members of Northern Territory Council of Social Services Incorporated Association at any time during, or since the end of, the year are:

Names	Position	Appointed/ Resigned
Jayne Lloyd	President/Public Officer	Member for full year
Patrick MacDonald	Vice President	Member for full year
Travis Borsi	Treasurer	Appointed on November 2022
Noelene Swanson	Treasurer	Resigned from November 2022
Craig Kelly	Committee Member	Appointed on November 2022
Andrew Keyton	Committee Member	Resigned from July 2022
Cheryl Schmidt	Committee Member	Resigned from November 2022
Carol Quill	Committee Member	Resigned from November 2022
Larissa Ellis	Committee Member	Member for full year
Chris Hammond	Committee Member	Appointed on August 2023
Rachael Bowker	Executive Committee member	Appointed on August 2023
Anne Buxton	Secretary	Resigned from November 2022

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

Principal activities and significant changes in nature of activities

The principal activities of Northern Territory Council of Social Services Incorporated during the financial year were:

- To promote and assist the development of all aspects of social services throughout the NT.
- To provide to organisations, services and support such as training, a resource base, research and consultation relating to social issues.
- To contribute to the debate on social issues.
- To ensure the Association is representative on a sector wide and regional basis in the NT as well as representing the interests of members.
- To promote and make representations on behalf of socially disadvantaged groups and those disadvantaged in the NT community by policy decisions.
- To be the peak organisation providing a focal point for the community sector and a reference point for government.
- To provide advice and policy input to all levels of government and other appropriate organisations on behalf of the NT community sector.
- To contribute an NT perspective to the national Council of Social Service (COSS) network.

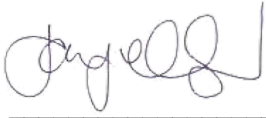
There were no significant changes in the nature of the Association's principal activities during the financial year.

Operating result

The deficit of the Association for the financial year amounted to \$206,476 (2022 surplus: \$940,471).

Northern Territory Council of Social Services Incorporated
Committee's report
30 June 2023

Signed in accordance with a resolution of the Members of the Committee:



Jayne Lloyd
President



Travis Borsi
Treasurer

31 October 2023

Northern Territory Council of Social Services Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Revenue from grants		2,500,918	2,790,758
Other revenue		126,958	77,430
Finance income		4,305	1,345
		<u>2,632,181</u>	<u>2,869,533</u>
Expenses			
Employee benefits expense		1,156,961	1,099,377
Depreciation and amortisation expense		77,623	48,561
Contract Trainers/Consultants		1,128,370	283,990
Travel & Accommodation		109,666	99,893
IT support		83,328	51,627
Finance costs		1,743	2,794
Other expenses		<u>280,966</u>	<u>342,820</u>
Surplus/(deficit) for the year	14	(206,476)	940,471
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u><u>(206,476)</u></u>	<u><u>940,471</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Northern Territory Council of Social Services Incorporated
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	3	1,768,790	1,928,191
Trade and other receivables	4	10,173	11,263
Other assets	5	14,442	14,619
Total current assets		<u>1,793,405</u>	<u>1,954,073</u>
Non-current assets			
Property, plant and equipment	6	450,405	505,374
Right-of-use assets	7	19,558	41,792
Total non-current assets		<u>469,963</u>	<u>547,166</u>
Total assets		<u>2,263,368</u>	<u>2,501,239</u>
Liabilities			
Current liabilities			
Trade and other payables	8	135,072	83,524
Lease liabilities	9	18,558	31,112
Employee benefits	10	174,554	211,186
Other financial liabilities	11	19,178	18,131
Other liabilities	12	2,200	37,400
Total current liabilities		<u>349,562</u>	<u>381,353</u>
Non-current liabilities			
Lease liabilities	9	-	11,002
Employee benefits	10	24,572	13,174
Total non-current liabilities		<u>24,572</u>	<u>24,176</u>
Total liabilities		<u>374,134</u>	<u>405,529</u>
Net assets		<u>1,889,234</u>	<u>2,095,710</u>
Equity			
Reserves	13	270,695	270,695
Accumulated fund	14	1,618,539	1,825,015
Total equity		<u>1,889,234</u>	<u>2,095,710</u>

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

Northern Territory Council of Social Services Incorporated
Statement of changes in equity
For the year ended 30 June 2023

	General reserves \$	Asset revaluation reserves \$	Accumulated fund \$	Total \$
Balance at 1 July 2021	270,299	396	884,544	1,155,239
Surplus for the year	-	-	940,471	940,471
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	940,471	940,471
Balance at 30 June 2022	<u>270,299</u>	<u>396</u>	<u>1,825,015</u>	<u>2,095,710</u>

	General reserves \$	Asset revaluation reserves \$	Accumulated fund \$	Total \$
Balance at 1 July 2022	270,299	396	1,825,015	2,095,710
Deficit for the year	-	-	(206,476)	(206,476)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(206,476)	(206,476)
Balance at 30 June 2023	<u>270,299</u>	<u>396</u>	<u>1,618,539</u>	<u>1,889,234</u>

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

Northern Territory Council of Social Services Incorporated
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		103,295	60,155
Donations received		24,964	9,545
Receipts from grants		2,500,918	2,603,759
Payments to suppliers and employees		<u>(2,767,164)</u>	<u>(1,906,927)</u>
		(137,987)	766,532
Interest received		4,305	2,179
Interest paid		<u>(1,743)</u>	<u>(2,794)</u>
Net cash from/(used in) operating activities	16	<u>(135,425)</u>	<u>765,917</u>
Cash flows from financing activities			
Principal repayments of lease liabilities		<u>(23,976)</u>	<u>(29,811)</u>
Net cash used in financing activities		<u>(23,976)</u>	<u>(29,811)</u>
Net increase/(decrease) in cash and cash equivalents		(159,401)	736,106
Cash and cash equivalents at the beginning of the financial year		<u>1,928,191</u>	<u>1,192,085</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>1,768,790</u></u>	<u><u>1,928,191</u></u>

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

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

1. Significant accounting policies

The financial statements cover Northern Territory Council of Social Services Incorporated as an individual entity. Northern Territory Council of Social Services Incorporated is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Northern Territory Council of Social Services Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

Basis of preparation

In the opinion of the committee members, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Association's constitution, the *Associations Act (NT) 2003* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

1. Significant accounting policies (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations

The revenue recognition policies for the principal revenue streams of the Association are:

Grant income

Revenue in the scope of AASB 1058 is recognised on receipt unless it relates to a capital grant which satisfies certain criteria, in this case the grant is recognised as the asset is acquired or constructed.

Capital grants

Capital grants received to enable the Association to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Association's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Association.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Association gains control of the asset.

Membership subscription

Revenue from membership subscriptions is recognised on a straight line basis over the 12 month period of the subscription, commencing when the membership commences/renews and is paid for.

Other Income

Other income is recognised on an accruals basis when the Association is entitled to it.

(c) Goods and services tax (GST)

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

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

1. Significant accounting policies (continued)

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	40.0%
Motor Vehicles	33.0%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

1. Significant accounting policies (continued)

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost.
- fair value through profit or loss – FVTPL.
- fair value through other comprehensive income - equity instrument (FVOCI - equity).
- fair value through other comprehensive income - debt investments (FVOCI - debt).

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

1. Significant accounting policies (continued)

- financial assets measured at amortised cost.
- debt investments measured at FVOCI.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and finance lease liabilities.

(f) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

1. Significant accounting policies (continued)

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Leases

At inception of a contract, the Association assesses whether a lease exists.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

1. Significant accounting policies (continued)

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) Economic dependence

Northern Territory Council of Social Services Incorporated is dependent on various Northern Territory Government Agencies and third party contributors for the majority of its revenue used to operate the business. At the date of this report, the committee have no reason to believe this support will not continue into the future.

(k) New, revised or amending Accounting Standards and Interpretations not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Corporation for the annual reporting period ended 30 June 2023. The Corporation's assessment of the impact of this new or amended Accounting Standard and Interpretation, most relevant to the Corporation, is set out below.

Applies year ending 30 June 2024	Number and title	Main changes
	AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> (AASB 2020-1)	This Standard amends AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as current if an entity does not have the right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. The amendments specify that the entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
	AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	defers application of AASB 2020-1 to annual periods beginning on or after 1 January 2023 instead of 1 January 2022.

2. Critical accounting judgements, estimates and assumptions

The committee makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

3. Cash and cash equivalents

	2023	2022
	\$	\$
<i>Current assets</i>		
Cash at bank and in hand	1,504,809	1,665,134
Short-term deposits	263,981	263,057
	<u>1,768,790</u>	<u>1,928,191</u>

4. Trade and other receivables

	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	7,890	8,980
Deposits	2,283	2,283
	<u>10,173</u>	<u>11,263</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

5. Other assets

	2023	2022
	\$	\$
<i>Current assets</i>		
Accrued revenue	1,107	270
Prepayments	13,335	14,349
	<u>14,442</u>	<u>14,619</u>

6. Property, plant and equipment

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Buildings - at cost	505,000	505,000
Less: Accumulated depreciation	(54,595)	-
	<u>450,405</u>	<u>505,000</u>
Leasehold improvements - at cost	25,669	25,669
Less: Accumulated depreciation	(25,669)	(25,669)
	<u>-</u>	<u>-</u>
Motor vehicles - at cost	37,433	37,433
Less: Accumulated depreciation	(37,433)	(37,059)
	<u>-</u>	<u>374</u>
	<u>450,405</u>	<u>505,374</u>

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

6. Property, plant and equipment (continued)

Reconciliations

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

	Buildings \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Balance at 1 July 2021	505,000	12,727	6,764	524,491
Depreciation expense	-	(12,353)	(6,764)	(19,117)
Balance at 30 June 2022	505,000	374	-	505,374
Depreciation expense	(54,595)	(374)	-	(54,969)
Balance at 30 June 2023	<u>450,405</u>	<u>-</u>	<u>-</u>	<u>450,405</u>

7. Right-of-use assets

	2023 \$	2022 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	52,156	51,736
Less: Accumulated amortisation	<u>(32,598)</u>	<u>(9,944)</u>
	<u>19,558</u>	<u>41,792</u>

8. Trade and other payables

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	60,361	41,977
GST payable/(refundable)	7,896	(36,486)
Credit card payable	3,281	11,555
Accrued wages	27,644	25,851
Accrued expenses	6,500	6,875
PAYG withholding payable	19,264	22,764
Superannuation payable	<u>10,126</u>	<u>10,988</u>
	<u>135,072</u>	<u>83,524</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

9. Lease liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Lease liability	18,558	31,112
<i>Non-current liabilities</i>		
Lease liability	-	11,002
	<u>18,558</u>	<u>42,114</u>

The maturity analysis of lease liabilities based on contractual undiscounted cash flow is shown in the table below:

	1 year or less	1 - 5 years	> 5 years	Total
	\$	\$	\$	undiscounted
				lease liabilities
				\$
2023				
Lease liabilities	18,558	-	-	18,558
2022				
Lease liabilities	31,112	11,002	-	42,114

10. Employee benefits

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Long service leave	19,717	45,644
Provision for employee benefits	154,837	165,542
	<u>174,554</u>	<u>211,186</u>
<i>Non-current liabilities</i>		
Long service leave	24,572	13,174
	<u>199,126</u>	<u>224,360</u>

11. Other financial liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Membership fees received in advance	19,178	18,131

12. Other liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Other current liabilities	2,200	37,400

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

13. Reserves

	2023	2022
	\$	\$
General reserves	<u>270,695</u>	<u>270,695</u>
	2023	2022
	\$	\$
Revaluation surplus		
Opening balance	<u>396</u>	<u>396</u>
General reserve		
Opening balance	<u>270,299</u>	<u>270,299</u>
	<u>270,695</u>	<u>270,695</u>

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

(b) General reserve

The general reserve records funds set aside for operational and capital expenditure of Northern Territory Council of Social Services Incorporated as detailed below.

	2023	2022
	\$	\$
Future projects	<u>270,299</u>	<u>270,299</u>

14. Accumulated fund

	2023	2022
	\$	\$
Accumulated fund at the beginning of the financial year	1,825,015	884,544
Surplus/(deficit) for the year	<u>(206,476)</u>	<u>940,471</u>
Accumulated fund at the end of the financial year	<u>1,618,539</u>	<u>1,825,015</u>

15. Events after the reporting period

No matter or circumstance has 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.

Northern Territory Council of Social Services Incorporated
Notes to the financial statements
30 June 2023

16. Reconciliation of surplus/(deficit) to net cash from/(used in) operating activities

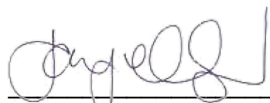
	2023	2022
	\$	\$
Surplus/(deficit) for the year	(206,476)	940,471
Adjustments for:		
Depreciation and amortisation	77,623	48,561
Change in operating assets and liabilities:		
(increase)/decrease in trade and other receivables	1,090	(41,184)
(increase)/decrease in prepayments	1,014	10,534
(increase)/decrease in other current assets	(837)	-
increase/(decrease) in income in advance	1,047	14,857
increase/(decrease) in trade and other payables	16,348	(154,775)
increase/(decrease) in employee benefits	(25,234)	(52,547)
Net cash from/(used in) operating activities	<u>(135,425)</u>	<u>765,917</u>

Northern Territory Council of Social Services Incorporated
Committee's declaration
30 June 2023

In the Committee's opinion:

- the Association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Northern Territory legislation the Associations Act 2003 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the Committee:



Jayne Lloyd
President



Travis Borsi
Treasurer

31 October 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Northern Territory of Social Services Incorporation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Northern Territory of Social Services Incorporation (the Council), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and Critical accounting judgements, estimates and assumptions.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1.

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 Council in accordance with 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 to assist the Council to meet the requirements of *Associations Act (NT) 2003* and *Australian Charity and Not-for-profit Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Annual report, 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 on the other information obtained prior to the date of this auditor's report, 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.

Other matter

The financial report of the Council for the year ended 30 June 2022, was audited by another auditor who expressed an unmodified opinion on that report on 6 October 2022.

Responsibilities of management and the Committee for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 and 2 is appropriate to meet the requirements of *Associations Act (NT) 2003* and *Australian Charity and Not-for-profit Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Council's financial reporting process.

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'BDO'.

BDO Audit (NT)

A handwritten signature in black ink, appearing to be 'Casmel Taziwa'.

Casmel Taziwa
Audit Partner

Darwin: 1 November 2023