Intellectual Disability Rights Service Incorporated

ABN 11 216 371 524

Financial report for the year ended 30 June 2022

DIRECTORS' REPORT

Your directors present this report on Intellectual Disability Rights Service Inc for the financial year ended 30 June 2022

Directors

The names of each person who has been a director during the year and to the date of this report are:

Susan Bailey (resigned August 2022)
April Blair
Ann Bolt
Kirra Cochrane (term ended December 2021)
Phillipa Friedrich
David Jarjoura
Craig Mulvey
Margaret Spencer
Mike Sprange

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

Principal Activities

The principal activity of the Intellectual Disability Rights Service Inc during 2021-22 has been to work alongside people with disability who live in New South Wales to promote and protect their individual human and legal rights. Intellectual Disability Rights Service Inc does this by providing legal assistance, disability advocacy, individual support for people with disability to understand and participate in legal processes, rights education and advocacy to achieve law reform and systemic change to advance the rights of people with disability.

Objectives

Intellectual Disability Rights Service is a disability advocacy service and community legal centre whose objectives are to:

- Promote increased understanding of legal and human rights amongst people with disability
- Increase access to legal and human rights remedies for individuals with disability
- Achieve law and policy reform in the interests of people with disability

Strategies

To achieve its stated objectives, the Intellectual Disability Rights Service has observed the need to adopt the following strategies:

- Provide legal advice and legal advocacy to people with disability living in NSW, particularly to the most vulnerable
- Provide individual advocacy to people with disability living in NSW

DIRECTORS' REPORT

- Provide individual support and advocacy to people with cognitive disability in their interactions with the NSW criminal justice system as victims or defendants
- Provide individual support and advocacy to parents with intellectual disability who are at risk of having a child removed from their care
- Assist people with disability or, where appropriate, their carers to appeal decisions of the National
- Disability Insurance Agency
- Equip people with disability to understand and exercise their rights by providing accessible rights information and education
- Assist people with disability to share their experiences and views to inform the work of the Disability Royal Commission
- Advocate for law reform and systems reform in the interests of people with disability.
- Include people with disability at all levels of decision-making within Intellectual Disability Rights Service Inc
- Maintain and grow involvement of trained and supported volunteers to enhance delivery of services

Information on Directors

Craig Mulvey

Qualifications	BCom, LLM, and DIpLaw
Experience	Barrister in Private Practice. Previous Board member of the Inner-City Community Legal Centre for 7 years. Senior Legal Member of the NSW Civil and Administrative Tribunal
Special Responsibilities	Chair Board of Directors

Phillipa Friedrich

Qualifications	B.Bus (UTS), Master of Professional Communication (Syd) F.A I C.D. JP registration number 179822
Experience	Internal audit – Sydney Wide Stores 2 years, Felser, Russell and Co – local government audit 2 years, Manager – Chatswood Eye Surgery Centre 12 years, Company Doctor P/L – tax and accounting part-time 10 years, Non-Executive Director for House Without Steps (Aruma) 12 years Councillor, Mosman Council
Special Responsibilities	Treasurer and Chair Finance Audit and Risk Committee

Susan Bailey

Qualifications	BA/LLM, GradDipPM and PhD
Experience	Commercial lawyer with experience in the private and public sectors. Experience on the boards of a state government building regulator and not-for-profit organisations. Susan currently sits on a regional housing board.
Special Responsibilities	Member Finance, Audit and Risk Committee

April Blair	
Qualifications	BA/Bachelor of Laws
Experience	April is civil lawyer with over 10 years' experience working on behalf of vulnerable people, particularly in regional and remote areas of NSW.
Special Responsibilities	Chair, Future Funding Committee
Anne Bolt	
Qualifications	Lived experience of disability.
Experience	Experience in teaching people with disability about rights and representing people with disability on various advisory groups.
Kirra Cochrane	
Qualifications	Lived experience of disability
Experience	Experienced in teaching people with disability about rights and representing people with disability in forums and on working groups. Member of Making Rights Real Group – IDRS consumer advisory group
David Jarjoura	
Qualifications	Graduate of the Australian Institute of Company Directors
Experience	In addition to IDRS, David serves on the Boards in the Education and Manufacturing for Purpose sectors and in the commercial sector
Special Responsibilities	Member Finance Audit and Risk Committee
Margaret Spencer	
Qualifications	Certificate in Nursing, Bachelor of Theology, Bachelor of Social Work, Doctorate in Philosophy (Disability Studies)
Experience	Thirty years practice experience in nursing; community health and welfare; family support; restorative justice and disability advocacy. Employed at IDRS in the Parents' Program 2009-2014. Current Senior Lecturer in Social Work at the University of Sydney. General Member of the NSW Civil and Administrative Tribunal (Guardianship Division and Appeals Tribunal). Board Member of the International Association of for the Scientific Study of Intellectual and Developmental Disabilities (Parenting SIRG)
Special Responsibilities	Chair Participation Committee
Mike Sprange	
Qualifications	Sloan Fellow of London Business School. (The Sloan Program is the world's first mid-career and senior career master's degree in general management and leadership.)
Experience	Prior business career as Partner in Price Waterhouse Cooper. Led IT and strategic business consulting projects in Australia and SE Asia. Involved with many private and public sector organisations both state and federal, now retired. Past member of two other not-for-profit organisations, one of which was in the disability sector. Mike has a son with an intellectual and physical disability and has served on two state government advisory councils in the justice sector.
Special Responsibilities	Member Finance Audit and Risk Committee Member future funding Committee

Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Anne Bolt	6	5
Susan Bailey	6	5
April Blair	6	4
Kirra Cochrane	3	0
Phillipa Friedrich	6	4
David Jarjoura	6	5
Craig Mulvey	6	4
Margaret Spencer	6	5
Mike Sprange	6	5

The Entity is a public benevolent institution registered with the Australian Charities and Not-for-profits Commission (ACNC),

Auditor’s Independence Declaration

The lead auditor’s independence declaration for the year ended 30 June 2022 has been received and can be found on page 4 of the financial report.

This directors’ report is signed in accordance with a resolution of the Board of Directors.

Director

Craig Mulvey (Chair)

Dated this 25th day of October 2022

AUDITOR'S INDEPENDENCE DECLARATION
UNDER ACNC ACT SECTION 60-40
TO THE DIRECTORS OF INTELLECTUAL DISABILITY RIGHTS SERVICE INCORPORATED

In accordance with subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Intellectual Disability Rights Service Incorporated.

As the lead audit partner for the audit of the financial report of Intellectual Disability Rights Service Incorporated for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and

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

Leslie Pines Chartered Accountant

Date: 3rd September 2022

Address: Suite 1, 102 Spofforth Street Cremorne NSW 2090

Intellectual Disability Rights Service Incorporated

ABN 11 216 371 524

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		$	$
Revenue	2	6,478,957	6,597,385
Other income	2	295,796	479,697
Employee benefits expense		-449,166	-421,408
Depreciation and amortisation expense		-77468	-93,237
Motor vehicle expenses		-39,043	-66,157
Utilities expense		-5,862	-9,397
Rental expense	3	-361,077	-370,337
Staff training and development expenses		-7,827	-32,588
Audit, legal and consultancy fees		-9,900	-10,575
Client support services expense		-4,649,754	-4,630,451
Custody legal advice		-103,499	-132,044
Volunteer contribution		-170,036	-251,982
Sundry expenses		-568,383	-892,726
Current year surplus before income tax		352,738	166,180
Income tax expense	1k	-	-
Net current year surplus		352,738	166,180
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:		-	-
Total other comprehensive (losses)/income for the year		-	-
Total comprehensive income for the year		352,738	166,180
Surplus attributable to members of the Entity		352,738	166,180
Total comprehensive income attributable to members of the Entity		352,738	166,180

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022	2021
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,424,351	1,764,981
Accounts receivable and other debtors	5	84,598	86,601
Other current assets	6	43,360	26,170
TOTAL CURRENT ASSETS		2,552,309	1,877,752
NON-CURRENT ASSETS			
Property, plant and equipment	8	44,308	109,285
Financial assets	7	506,004	503,080
Right-of-use assets	9	428,770	-
TOTAL NON-CURRENT ASSETS		979,082	612,365
TOTAL ASSETS		3,531,391	2,490,117
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	1,622,610	1,367,119
Lease liabilities		119,160	-
Employee provisions	11	415,030	389,738
TOTAL CURRENT LIABILITIES		2,156,800	1,756,857
NON-CURRENT LIABILITIES			
Lease liabilities		309,610	-
Employee provisions	11	215,609	236,626
TOTAL NON-CURRENT LIABILITIES		525,219	236,626
TOTAL LIABILITIES		2,682,019	1,993,483
NET ASSETS		849,372	496,634
EQUITY			
Retained surplus		849,372	496,634
TOTAL EQUITY		849,372	496,634

The accompanying notes form part of these financial statements.

	Note	Retained Surplus	Total
		$	$
Balance at 1 July 2020		330,454	330,454
Comprehensive income			
Surplus for the year attributable to members of the Entity		166,180	166,180
Other comprehensive income for the year		-	-
Balance at 30 June 2021		496,634	496,634
Balance at 1 July 2021		496,634	496,634
Comprehensive income			
Surplus for the year attributable to members of the Entity		352,738	352,738
Other comprehensive income for the year		-	-
Total comprehensive income for the year		352,738	352,738
Balance at 30 June 2022		849,372	849,372

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, State and local government grants		6,478,957	6,680,104
Receipts from donations, bequests and other income		272,688	133,697
Payments to suppliers and employees		-5,723,704	-7,122,816
Short-term and low-value lease payments		-361,077	-370,337
Net cash generated from operating activities	18	666,864	-679,352
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		7,921	14,222
Payment for property, plant and equipment		-12,490	-5,501
Net cash used in investing activities		-4,569	8,721
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		-	-
Net cash used in financing activities		-	-
Net increase in cash held		662,294	-670631
Cash on hand at beginning of the financial year		2,268,061	2,938,692
Cash on hand at end of the financial year	4	2,930,355	2,268,061

Reconciliation of Cash on hand at end of the financial year

	Note	2022	2021
Cash and Cash equivalents	4	2,424,351	1,764,981
Financial assets – Interest bearing deposit	7	506,004	503,080
Cash on hand at end of the financial year		2,930,355	2,268,061

The accompanying notes form part of these financial statements.

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

The financial statements cover Intellectual Disability Rights Service Incorporated. as an individual entity, incorporated and domiciled in Australia, Intellectual Disability Rights Service Incorporated,

is a public benevolent institution registered with the Australian Charities and Not-for-profits Commission (ACNC),

The financial statements were authorised for issue on September 2022 by the directors of the Entity.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose, financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. **Revenue**

The entity receives funding from the Australian Government, NSW Government and the Public Purpose Fund through the Community Legal Centres Program administered by Legal Aid NSW.

Revenue recognition

Operating Grants, Donations and Bequests

When the entity receives operating grants, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Entity:

– 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.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

– recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
– 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 Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under terms of the grant.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interest Income

Interest income is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

b. **Fair Value of Assets and Liabilities**

The Entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the Entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Entity’s own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

c. **Property, Plant and Equipment**

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. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

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

Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a straight-line basis over the asset’s useful life to the Entity commencing from the time the asset is available 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20-50%
Leasehold improvements	25%

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

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 surplus.

d. Leases

The Entity as lessee

At inception of a contract, the Entity assesses 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 Entity where the Entity 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 expense 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 Entity 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 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 Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Entity as lessor

Upon entering into each contract as a lessor, the Entity assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Entity's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Entity uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Entity 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 AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

– amortised cost; or
– fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

– a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
– held for trading; or
– initially designated as at fair value through profit or loss.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss 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.

A financial liability is held for trading if it is:

– incurred for the purpose of repurchasing or repaying in the near term;
– part of a portfolio where there is an actual pattern of short-term profit taking;
– a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship); or
– any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses are taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

– amortised cost;
– fair value through other comprehensive income; or
– fair value through profit and loss

on the basis of the two primary criteria, being:

– the contractual cash flow characteristics of the financial asset; and
– the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

– the financial asset is managed solely to collect contractual cash flows; and
– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
– the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

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

The Entity initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

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

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Entity made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Entity's accounting policy.

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 of the following criteria need to be satisfied for 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 Entity no longer controls the asset (ie it has no practical ability to make unilateral decisions 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.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

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

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

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 Entity uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Entity assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there has been no significant increase in credit risk since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

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

This approach is applicable to:

trade receivables; and

lease receivables.

In measuring the expected credit loss a provision matrix for trade receivables has been used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit impaired approach

For a financial asset that is considered to be credit-impaired (not on acquisition or originations), the Entity measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment has been recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- Where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Entity assumes that the credit risk has not increased significantly since initial recognition and accordingly the Entity can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Entity 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.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

f. **Impairment of Assets**

At the end of each reporting period, the entity 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 in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity 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 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.

g. **Employee Provisions**

Short-term employee provisions

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

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements 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. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The Entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Entity 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 employee provisions.

h. **Cash and Cash Equivalents**

Cash on hand includes 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.

i. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. 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.

Accounts receivable 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(f) for further discussion on the determination of impairment losses.

j. **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 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.

k. **Income Tax**

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

l. **Intangible Assets**

Software

Software is recorded at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value, as at the date of acquisition. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

m **Provisions**

Provisions are recognised when the Entity 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 the reporting period.

n. **Comparative Figures**

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

When the Entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

o. **Critical Accounting Estimates and Judgements**

The directors 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 Entity.

Key estimates

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

. As described in Note 1(d), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

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 specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

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 entity will make. The entity 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.

Employee benefits

The purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of annual reporting period in which the employees render the related service. The Entity expects that employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

p. **Economic Dependence**

The Entity is dependent on the Federal and State Government Departments (''Departments") for the majority of its revenue. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Entity.

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

NOTE 2: REVENUE AND OTHER INCOME

	2022	2021
	$	**$**
Revenue		
Revenue from grants:		
– Commonwealth government grants – operating	712,686	725,712
– state government grants – operating	5,766,271	5,871,673
– Legal aid – operating		
Total revenue	6,478,957	6,597,385
Other income		
– interest received on investments in government and fixed interest securities	7,921	14,222
– Fees and disbursements	103,499	132,044
– bequests received	3,071	1,653
– Volunteer benefits	170,036	251,982
– Cash flow stimulus	-	50,000
– other	11,269	29,796
Total other income	295796	479,697
Total revenue and other income	6,774,753	7,077,082

Transaction price allocated to the remaining performance obligation

The table below shows the grant revenue expected to be recognised in the future related to the aggregate amount of the transaction price allocated the performance obligations that are unsatisfied (partially unsatisfied) at the reporting date.

	2022	2021
	$	$
Revenue from government grants and other grants	1,190,150	1,031,911

NOTE 3: SURPLUS FOR THE YEAR

a.	**Expenses**		
	Interest expense on lease liabilities	-	-
	Employee benefits expense – contributions to defined contribution superannuation funds	449,166	421,408
	Depreciation and amortisation	77,468	93,237
	Rental expense on operating leases:		
	– short-term lease expense	361,077	370,337
	– low-value asset lease expense	8,328	1,621
	Total rental expense	369,405	371,958
	– audit services	9,900	9,900
	– taxation services	-	-
	Total auditor's remuneration	9,900	9,900

NOTE 4: CASH AND CASH EQUIVALENTS

CURRENT		
Cash at bank – unrestricted	2,423,751	1,764,379
Cash float	600	602
	2,424,351	1,764,981

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	Note		
CURRENT			
Accounts receivable		2,264	-
Other debtors		82,334	86,601
Allowance for expected credit losses	5a	-	-
		84,598	86,601
Total current accounts receivable and other debtors	19	84,598	86,601

The following table shows the movement in lifetime expected credit loss that has been recognised for accounts receivable and other debtors in accordance with the simplified approach set out in AASB 9.

Lifetime Expected Credit Loss: Credit Impaired

a.	Note	Opening Balance	Net Measurement of Loss Allowance	Amounts Written-Off	Closing Balance
					30 June 2021
			$	$	$
Other debtors		-	-	-	-
		-	-	-	-

	Note	Opening Balance	Net Measurement of Loss Allowance	Amounts Written-Off	Closing Balance
					30 June 2022
			$	$	$
Accounts receivable		-	-	-	-
Other debtors		-	-	-	-
		-	-	-	-

The Entity applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2022 is determined as follows; the expected credit losses also incorporate forward-looking information.

2022	Current	>30 days past due	>60 days past due	>90 days past due	Total
	$	$	$	$	$
Expected loss rate	-	-	-	-	-
Gross carrying amount	2,264	-	-	-	2,264
Loss allowing provision	-	-	-	-	-

2021	Current	>30 days past due	>60 days past due	>90 days past due	Total
	$	$	$	$	$
Expected loss rate	-	-	-	-	-
Gross carrying amount	-	-	-	-	-
Loss allowing provision					

The "amounts written off" are all due to debtors declaring bankruptcy or accounts receivable that have now become unrecoverable.

b. **Credit Risk**

The Entity has no significant concentration of credit risk with respect to any single counterparty or Entity of counterparties other than those receivables specifically provided for and mentioned within this note. The main source of credit risk to the Entity is considered to relate to the class of assets described as "accounts receivable and other debtors".

The Entity always measures the loss allowance for accounts receivables at an amount equal to lifetime expected credit loss. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The Entity writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (eg when the debtor has been placed under liquidation or has entered into bankruptcy proceedings) or when the trade receivables are over two years past due, whichever occurs earlier. None of the accounts receivable that have been written off are subject to enforcement activities.

NOTE 6: OTHER CURRENT ASSETS

	2022	2021
	$	$
Accrued income		
Prepayments	43,360	26,170
	43,360	26,170

NOTE 7: FINANCIAL ASSETS

		2022	2021
CURRENT			
Financial assets mandatorily measured at fair value through profit or loss	8a,19, 20	-	-
Total current assets		-	-
NON-CURRENT			
Investments in equity instruments designated as at fair value through other comprehensive income	8b,19, 20	-	-
Financial assets at amortised cost	19	506,004	503,080
Total non-current assets		506,004	503,080

a. **Financial Assets Mandatorily Measured at Fair Value through Profit or Loss**

Held-for-trading Australian listed shares	19, 20	-	-
Shares held for trading are traded for the purpose of short-term profit taking.		-	-

NOTE 7: FINANCIAL ASSETS

b.	**Investments in Equity Instruments Designated as at Fair Value through Other Comprehensive Income**			
	Listed investments:			
	– shares in listed corporations	19, 20	-	-
c.	**Financial Assets at Amortised Cost**			
	Government and fixed interest securities	19	506,004	503,080

Investments in equity instruments are held for medium- to long-term planned purposes and are not held for trading. The entity elected to designate investments in equity instruments above as at fair value through other comprehensive income. The reason for this is that they believe that recognising current shorter-term fluctuations in these investments' fair value in profit or loss would not be in line with the entity's plan to keep this over a longer term.

d. **Impairment of Other Financial Assets**

To assess the impairment on investments in government and fixed interest securities, the Entity has considered the AAA credit rating of these investments. In light of that rating, the loss allowance is measured at an amount equal to 12-months expected credit losses.

In determining the expected credit losses for these assets, the directors of the Entity have taken into account the historical default experience, the financial position of the counterparties, the future prospects of the industries, financial analyst reports, and various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the expected loss upon default in each case.

Note 19 provides more detail in relation to the gross amount, loss allowance and measurement basis by credit risk rating.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2022 $	2021 $
Leasehold improvements		
At Cost	46,193	44,693
Less accumulated depreciation	44,693	35,815
	1,500	8,878
Plant and Equipment		
Plant and equipment:		
At cost	271,787	260,797
Less accumulated depreciation	228,979	160,390
Total plant and equipment	42,808	100,407
Total property, plant and equipment	44,308	109,285

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2022	2021
	$	$

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
	$	$	$
2021			
Balance at the beginning of the year	26,142	170,879	197,021
Additions at cost	0	5,501	5,501
Disposals			
Depreciation expense	17,264	75,973	93,237
Impairment losses			
Carrying amount at the end of the year	8,878	100,407	109,285
2022			
Balance at the beginning of the year	8,878	100,407	109,285
Additions at cost	1,500	10,990	12,490
Depreciation expense	8,878	68,589	77,467
Carrying amount at the end of the year	1,500	42,808	44,308

2022	Current (< 1 year)	1 to 2 years	2 to 3 years
	$	$	$
Undiscounted annual lease payments	361,070	431926	444,584

NOTE 9: RIGHT-OF-USE ASSETS

The Entity leases office space. These leases have an average term of 1 to 3 years.

The entity entered into 2 lease agreements early July 2022. Prior to the close of the 2022 financial year, the entity incurred expenditure on fit out costs, security deposits and prepaid rent. These leases have now been recognized under AASB 16. No interest or amortisation was incurred at balance date.

1. **Options to extend or terminate**

The options to extend or terminate are contained in several of the Entity’s property leases. These clauses provide the Entity opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Entity. The extension options or termination options which were reasonably certain to be exercised have been included in the calculation of the right-of-use asset.

		$
i)	**AASB 16 related amounts recognised in the balance sheet**	
	Right-of-use assets	
	Leased buildings	428,770
	Accumulated depreciation	-
	Total right-of-use asset	428,770
	Movement in carrying amounts:	
	Leased buildings:	
	Opening balance	-
	Addition to right-of-use asset	428,770
	Depreciation expense	-
	Net carrying amount	428,770

ii) **AASB 16 related amounts recognised in the statement of profit or loss**

	2022 $	2021 $
Depreciation charge related to right-of-use assets	-	-
Interest expense on lease liabilities	-	-
Short-term leases expense	361,077	370,337
Low-value asset leases expense	8,328	1,621

NOTE 10: ACCOUNTS PAYABLE AND OTHER PAYABLES

	Note		
CURRENT			
Accounts payable		24,788	43,895
Contract liability	10b	1,190,150	1,031,911
Other current payables		526,832	291,314
	10a	1,741,770	1,367,120

a. **Financial Liabilities at Amortised Cost Classified as Accounts Payable and Other Payables**

Accounts payable and other payables:		
– total current	1,741,770	1,367,120
– total non-current	309,610	-
	2,051,380	1,367,120
Less contract liability	1,190,150	1,031,911
Less GST payables (net amount)	121,945	291,314

NOTE 10: ACCOUNTS PAYABLE AND OTHER PAYABLES

		Note		
	Financial liabilities as accounts payable and other payables	17	739,285	43,895
b.	**Contract liabilities**			
	Balance at the beginning of the year		1,031,911	2,206,790
	Additions:		158,239	(1,174,879
	Grants for which performance obligations will only be satisfied in subsequent years.		1,190,150	1,031,911
	Closing balance at the end of the year		1,190,150	1,031,911

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time is recognised as a contract liability until the performance obligations have been satisfied.

The average credit period on accounts payable and other payables (excluding GST payable) is one month. No interest is payable on outstanding payables during this period.

NOTE 11: EMPLOYEE PROVISIONS

	Employee Provisions
	$
Opening balance at 1 July 2021	626,364
Additional provisions raised during the year	4,275
Amounts used	-
Balance at 30 June 2022	630,639

	2022	2021
	$	$
Analysis of Employee Provisions		
Current:		
– annual leave entitlements	353,255	343,411
– long service leave entitlements	61,775	46,327
Total current employee provisions	415,030	389,738
Non-current:		
– long service leave entitlements	215,609	236,626
	215,609	236,626

NOTE 11: EMPLOYEE PROVISIONS

Employee Provisions

Employee provisions represent 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 amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Entity 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 Entity 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.

NOTE 12: CAPITAL COMMITMENTS

	2022	2021
	$	$
Capital Expenditure Commitments		
Office fit out expenditure	41,600	-

NOTE 13: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential financial effect of contingent liabilities that may become payable: Nil

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 15: RELATED PARTY TRANSACTIONS

		2022	2021
		$	$
a.	**Key Management Personnel**		
	Key management personnel compensation:		
	– short-term employee benefits	98,246	93,175
	– post-employment benefits	-	-
	– other long-term benefits	-	-
		98,246	93,175

NOTE 15: RELATED PARTY TRANSACTIONS

b. **Other Related Parties**

There were no other related party transactions during the financial year

NOTE 16: CASH FLOW INFORMATION

		2022	2021
		$	$
a.	**Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus**		
	Net current year surplus	352,738	166,180
	Adjustment for:		
	Investment income	-7,921	-14,222
	Depreciation and amortisation expense	77,468	93,237
	Movement in working capital:		
	Increase/(Decrease in accounts receivable and other debtors	-15,187	2,923
	Increase/(decrease) in accounts payable and other payables	255,491	-998,706
	Increase/(decrease) in employee provisions	4,275	71,235
	Net cash generated by operating activities	666,864	-679,353

NOTE 17: FINANCIAL RISK MANAGEMENT

The Entity's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

		Note	2022	2021
			$	$
Financial assets				
Financial assets at amortised cost:				
–	cash and cash equivalents	4	2,424,351	1,764,981
–	accounts receivable and other debtors	5	84,598	86,601
–	government and fixed interest securities	7	506,004	503,080
Total financial assets			3,014,953	2,354,662
Financial liabilities				
Financial liabilities at amortised cost:				
–	accounts payable and other payables		310,515	43,895
–	lease liabilities		428,770	-
Total financial liabilities			739,285	43,895

Financial Risk Management Policies

The finance committee is responsible for monitoring and managing the Entity's compliance with its risk management strategy and consists of senior board members. The finance committee's overall risk management strategy is to assist the Entity in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Entity is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Entity.

The Entity does not have any material credit risk exposures as its major source of revenue is the receipt of grants. Credit risk is further mitigated as over 100% of the grants being received from Commonwealth, state and local governments are in accordance with funding agreements which ensure regular funding for a period of one to two years.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5.

The Entity has no significant concentrations of credit risk exposure to any single counterparty or entity of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA–. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings:

	Note	2022	2021
		$	**$**
Cash and cash equivalents	4	2,424,351	1,764,981
– AA rated			
Investments – financial assets at amortised cost:			
– government and fixed interest securities	7	506,004	503,080

b. **Liquidity Risk**

Liquidity risk arises from the possibility that the Entity might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Entity manages this risk through the following mechanisms:

– preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
– maintaining a reputable credit profile;
– managing credit risk related to financial assets;
– only investing surplus cash with major financial institutions; and
– comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Entity does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Accounts payable and other payables (excluding estimated annual leave and deferred income)	432,456	335,209	-	-	-	-	432,456	335,209
Lease liabilities	119,160	-	309,610	-	-	-	428,770	-
Total expected outflows	551,616	335,209	309,610	-	-	-	861,226	335,209
Financial assets – cash flows realisable								
Cash and cash equivalents	2,424,351	1,764,981	-	-	-	-	2,424,351	1,764,981
Investments in government and fixed interest securities	506,004	503,080	-	-	-	-	506,004	503,080
Accounts receivable and other debtors	84,598	86,601	-	-	-	-	84,598	86,601
Total anticipated inflows	3,014,953	2,354,662	-	-	-	-	3,014,953	2,354,662
Net (outflow)/inflow expected on financial instruments	2,463,337	2,019,453	(309,610)	-	-	-	2,463,953	2,019,453

c. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Entity is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Entity to interest rate risk are limited to lease liabilities, government and fixed interest securities, and cash on hand.

The Entity also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Sensitivity analysis

The following table illustrates sensitivities to the entity's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Surplus	**Equity**
	$	**$**
Year ended 30 June 2022	20,600	-
+/– 2% in interest rates	-	20,600
+/– 2% in listed investments		
Year ended 30 June 2021		
+/– 2% in interest rates	20,480	-
+/– 2% in listed investments	-	20,480

No sensitivity analysis has been performed on foreign exchange risk as the Entity has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Refer to Note 20 for detailed disclosures regarding the fair value measurement of the entity's financial assets and financial liabilities.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Entity. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Entity.

NOTE 17: FINANCIAL RISK MANAGEMENT

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$	$	$	$
Financial assets				
Financial assets at amortised cost:				
– cash and cash equivalents	2,424,351	2,424,351	1,764,981	1,764,981
– government and fixed interest securities	506,004	506,004	503,080	503,080
– accounts receivable and other debtors	84,598	84,598	86,601	86,601
Total financial assets at fair value through profit or loss				
Total financial assets	3,014,953	3,014,953	2,354,662	2,354,662
Financial liabilities				
Financial liabilities at amortised cost:				
– accounts payable and other payables	310,515	310,515	335,209	335,209
– lease liabilities	428,770	428,770	-	-
Total financial liabilities	739,285	739,285	335,209	335,209

(i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 9.

NOTE 18: FAIR VALUE MEASUREMENTS

The Entity measures and recognises the following assets at fair value on a recurring basis after initial recognition

– financial assets at fair value through profit or loss;

– financial assets at fair value through other comprehensive income; and

The Entity does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. **Fair Value Hierarchy**

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

NOTE 18: FAIR VALUE MEASUREMENTS

Level 1	**Level 2**	**Level 3**
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Entity are consistent with one or more of the following valuation approaches:

– *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

– *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.

– *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Entity's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	Note	30 June 2022 Level 1	Level 2	Level 3	Total
		$	$	$	$
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
– Fixed interest securities	7	506,004	-	-	506,004
Total financial assets recognised at fair value on a recurring basis		506,004	-	-	506,004
Non-financial assets					
Plant & equipment				44,308	44,308
Total non-financial assets recognised at fair value on a recurring basis	8			44,308	44,308

	Note	31 December 2021 Level 1	Level 2	Level 3	Total
		$	$	$	$
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
– Fixed interest securities	7	506,004	-	-	506,004
Total financial assets recognised at fair value		506,004	-	-	506,004
Non-financial assets					
Plant & equipment		-	-	109,285	109,285
Total non-financial assets recognised at fair value	8	-	-	109,285	109,285

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2021: no transfers).

NOTE 19: CAPITAL MANAGEMENT

Management controls the capital of the Entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised within tolerable risk parameters. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The Entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Entity's capital by assessing the Entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the Entity since the previous year. The strategy of the Entity is to maintain a gearing ratio below 40%.

The gearing ratios for the years ended 30 June 2022 and 30 June 2021 are as follows:

	Note	2022	2021
		$	$
Total lease liabilities and accounts payable and other payables		861,226	335,209
Less cash on hand	4	2,424,351	1,764,981
Net debt		(1,563,125)	(1,429,772)
Total equity (retained surplus and reserves)		849,373	496,633
Total net debt and equity		2,412,498	1,926,405
Gearing ratio		36%	17%

NOTE 20: ENTITY DETAILS

The registered office and principal place of business of the Entity is:

Intellectual Disability Rights Service Incorporated
Level 5
Suite 458 311-315 Castlereagh Street
Sydney NSW 2000

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Intellectual Disability Rights Service Incorporated, the directors of the registered entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 5 to 37, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
    a. comply with Australian Accounting Standards applicable to the registered entity; and
    b. give a true and fair view of the financial position of the registered entity as at 30 June 2022 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director's signature:

Dated this 25th day of October 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTELLECTUAL DISABILITY RIGHTS SERVICE INCORPORATED

Opinion

We have audited the financial report of Intellectual Disability Rights Service Incorporated (the registered entity), which comprises the statement of financial position as at 30 June 2022, 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 directors' declaration.

In our opinion, the accompanying financial report of the registered entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

(i) giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 registered entity in accordance with the auditor independence requirements of the ACNC Act and, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report 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.

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

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2022, 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.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *ACNC Act* and for such internal control as the directors 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 directors are responsible for assessing the registered entity'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 registered entity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTELLECTUAL DISABILITY RIGHTS SERVICE INCORPORATED

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.

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

– Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

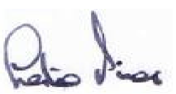
– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

– Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



Leslie Pines CA

Leslie Pines Chartered Accountant

Suite 1, 102 Spofforth Street Cremorne NSW 2090

Dated 31 October 2022