

# **Marrickville Legal Centre**

ABN: 53 699 012 017

## **Financial report**

For the year ended 30 June 2023

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**MARRICKVILLE LEGAL CENTRE**  
**ABN: 53 699 012 017**

**DIRECTORS' REPORT**

The directors present their report together with the financial report of Marrickville Legal Centre for the year ended 30 June 2023 and auditor's report thereon. This financial report had been prepared in accordance with the Australian Accounting Standards.

**Results**

The deficit of the company for the year after providing for income tax amounted to \$169,506.

**Review of operations**

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Principal activities**

The principal activities of the company during the year was the provision of legal and tenancy advice and advocacy and other related services to the vulnerable in our community. We also engaged in community education and discussion regarding law reform. No significant change in the nature of these activities occurred during the year.

**Who we are**

We are Marrickville Legal Centre, a not-for-profit community legal centre based in Marrickville, working across New South Wales. We provide holistic support to people often overlooked by our legal system through free legal and related services while advocating for equal access to justice and protecting human rights.

**Our vision**

Our vision is to help people forward towards better and fairer outcomes, and to create access to justice for us all.

**Our values**

Our pillars represent the four core values that guide how we serve our community.

- **For all people**

Justice shouldn't be the privilege of the few. We're proud to stand alongside individuals who are disadvantaged by our justice system, helping them toward better & fairer outcomes.

- **For progress**

Positive change takes action. We work with community partners to make sure the voices of disadvantaged people are heard in the processes that lead to policy reform.

- **For working together**

We work with our clients to help them forward towards a better future. We are proud to bring people together to promote justice and protect human rights.

**MARRICKVILLE LEGAL CENTRE**

**ABN: 53 699 012 017**

**DIRECTORS' REPORT**

**(Continued)**

- **For lasting change**

We aim to resolve any immediate legal issues, and to link our clients to resources and services that will support them towards positive and lasting change in their lives, and in our community.

**Service delivery**

Based in the inner west and serving New South Wales, we provide services to the communities of inner west, south west, southern Sydney and beyond. There are nearly 1.37 million people living in our key catchment - around 25.7% of Sydney's population and a further 1.07 million people on the northern beaches for our tenancy service. We also provide state-wide legal support for young people and owner-occupiers of strata schemes.

- Our General Legal Service provides general legal support to adults including the areas of civil, employment and criminal law. This service includes the Debt Crisis Legal service for people experiencing financial hardship including debt and credit management and the duty lawyer service based at Burwood and Sutherland Local Courts.
- Northern Sydney Area Tenants' Service provides free and confidential legal information, advice and advocacy to renters in the Northern Sydney Area.
- Inner West Tenants' Advice & Advocacy Service provides free and confidential legal information, advice and advocacy to renters in the Inner West, Sydney.
- Our Family Law and Family Violence services offer assistance to people who suffer disadvantage or family violence, to make workable arrangements after separation.
- The Domestic Violence Support Service offers non-legal support services to people who have experienced family and domestic violence.
- The Strata Collective Sales Advocacy Service (Strata Service NSW) offers advice and advocacy to strata owner-occupiers and in some cases, tenants in New South Wales who experience difficulties with strata management.
- Youth Legal Service NSW provides free legal assistance to young people aged twenty-five and under across New South Wales.

MARRICKVILLE LEGAL CENTRE

ABN: 53 699 012 017

DIRECTORS' REPORT

Objectives and Strategies

OBJECTIVES	STRATEGIES
<p><b>For all people</b> We will stand alongside individuals who are disadvantaged by our justice system and help them towards better and fairer outcomes.</p>	<ul style="list-style-type: none"><li>• Provide integrated, holistic support through all MLC services that responds to the complexity of community need.</li><li>• Continue to provide an integrated legal and non-legal domestic and family violence support service.</li><li>• Provide accessible fee-for-service legal assistance to people who are financially locked out of private and community legal assistance.</li><li>• Focus on delivering services to migrant workers and culturally and linguistically diverse groups experiencing employment exploitation.</li><li>• Increase scope and capacity to deliver on our state-wide Youth Legal Service for people aged twenty-five and under.</li></ul>
<p><b>For progress</b> We will take action to create positive change, and work with community partners to make sure the voices of disadvantaged people are heard in the processes that lead to policy reform.</p>	<ul style="list-style-type: none"><li>• Continue to optimise organisational processes for digital efficiency so that resources can be better channelled to service delivery.</li><li>• Develop and launch a digital solution for client intake using artificial intelligence that provides basic legal information for traffic matters.</li><li>• Establish smoother referral pathways through shared CLC resources to reduce waiting time for vulnerable clients.</li><li>• Strengthen ties between MLC and health care professionals for the benefit of the community through health justice partnerships, with a focus on legal issues arising from mental health.</li><li>• Improve quality and consistency of training for volunteers.</li><li>• Embrace research-based digital solutions to improve access to justice.</li><li>• With the help of community experts, academics and pro bono partners identify systemic areas of injustice to spearhead policy evolution and law reform.</li></ul>

**DIRECTORS' REPORT**

**Objectives and Strategies (Continued)**

<p><b>For working together</b>                  We will work with our clients to help them towards a better future and bring people together to promote justice and protect human rights.</p>	<ul style="list-style-type: none"> <li>• Objectively review the accessibility of our Centre and how it supports clients in the identification, understanding and solution of legal problems.</li> <li>• Actively contribute to national reconciliation through development and implementation of Marrickville Legal Centre Reconciliation Action Plan (RAP).</li> <li>• Engage staff and volunteers in a healthy, supportive and well-resourced environment.</li> <li>• Provide a clear and compelling rationale for people to support the Centre financially.</li> <li>• Provide a clear and compelling rationale for people to support the Centre as volunteers.</li> </ul>
<p><b>For lasting change</b>                  We aim to resolve any immediate legal issues and will link our clients to resources and services that support them towards positive and lasting change in their lives, and in our community.</p>	<ul style="list-style-type: none"> <li>• Build community capacity for people to identify and resolve general legal problems encountered in everyday life.</li> <li>• Implement research-based programs targeted at young people that prevent family and domestic violence.</li> <li>• Develop, test and roll-out program on financial literacy for women and girls at risk of financial abuse in the greater Sydney region. Strategically link with partners to identify and address systemic issues that create barriers to accessing justice.</li> </ul>

**Information on directors**

**Graham Jenkins**

Special responsibilities                      Chair

**Dominic Beckett**

Special responsibilities                      Secretary from 5 December 2022

**Danielle Etherington**

Special responsibilities                      Treasurer from 5 December 2022

**Lainie Anderson**

Resigned 25 September 2022

**Ian Bennett**

**James Connolly**

Appointed 28 November 2022

**Brent Goldman**

Special responsibilities                      Treasurer to 5 December 2022

**Nancy Kabaara**

**MARRICKVILLE LEGAL CENTRE**  
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**DIRECTORS' REPORT**

**Information on directors (Continued)**

<b>Andrew Kelly</b>	Resigned 5 December 2022
<b>Liza-Jayne Loch</b>	Appointed 1 June 2023
<b>Rob Muir</b>	Resigned 5 December 2022
Special responsibilities	Secretary to 5 December 2022
<b>Ian Neil</b>	Appointed 1 August 2023

**Meetings of directors**

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Graham Jenkins	8	7
Dominic Beckett	8	8
Danielle Etherington	8	8
Lainie Anderson	8	6
Ian Bennett	8	4
James Connolly	5	5
Brent Goldman	8	5
Nancy Kabaara	8	7
Andrew Kelly	4	4
Liza-Jayne Loch	1	1
Rob Muir	3	3
Ian Neil	-	-

**Members guarantee**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 30 June 2023 the number of members was 34. The combined total amount that members of the company are liable to contribute if the company is wound up is \$340.

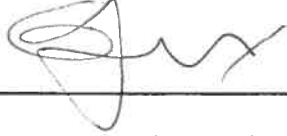
**Auditor's independence declaration**

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

MARRICKVILLE LEGAL CENTRE  
ABN: 53 699 012 017

DIRECTORS' REPORT

Signed in accordance with a resolution of the board of directors.

Director:   
Graham Jenkins

Director:   
Danielle Etherington

Dated this 31st day of October 2023





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**MARRICKVILLE LEGAL CENTRE**  
**ABN: 53 699 012 017**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**TO THE DIRECTORS OF MARRICKVILLE LEGAL CENTRE**

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

A handwritten signature in black ink that reads "Mark Godlewski".

Mark Godlewski  
Partner

31 October 2023

A handwritten signature in black ink that reads "Pitcher Partners".

Pitcher Partners  
Sydney

**MARRICKVILLE LEGAL CENTRE**  
**ABN: 53 699 012 017**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Revenue and other income</b>			
Grant funding and subsidies	3	2,847,617	3,054,760
Other revenue	4	<u>102,751</u>	<u>165,080</u>
		<u>2,950,368</u>	<u>3,219,840</u>
<b>Less: expenses</b>			
Depreciation and amortisation expense	5	(104,252)	(97,403)
Employee benefits expense	5	(2,740,502)	(2,448,003)
Occupancy expense		(21,153)	(23,909)
Repairs and maintenance		(5,453)	(16,783)
Advertising expense		(1,250)	(10,719)
Finance costs	5	(5,507)	(7,059)
Insurance		(16,551)	(16,086)
Communications and technology		(29,974)	(27,421)
Computer expenses		(51,905)	(26,902)
Utilities		(7,469)	(8,426)
Document storage and digitalisation		(2,846)	(2,702)
Library resources and subscriptions		(13,430)	(17,215)
Printing and stationary		(4,489)	(2,636)
Volunteer costs		(6,702)	(3,502)
Other expenses		<u>(108,391)</u>	<u>(199,438)</u>
		<u>(3,119,874)</u>	<u>(2,908,204)</u>
<b>Surplus (deficit) from operations</b>		(169,506)	311,636
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income</b>		<u>(169,506)</u>	<u>311,636</u>

The accompanying notes form part of these financial statements.

**MARRICKVILLE LEGAL CENTRE**  
**ABN: 53 699 012 017**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	8	1,984,580	1,900,305
Receivables	9	56,074	20,857
Other assets	12	<u>69,211</u>	<u>37,461</u>
<b>Total current assets</b>		<u>2,109,865</u>	<u>1,958,623</u>
<b>Non-current assets</b>			
Lease assets	11	88,285	163,057
Property, plant and equipment	10	62,353	85,039
Other assets	12	<u>6,083</u>	<u>6,083</u>
<b>Total non-current assets</b>		<u>156,721</u>	<u>254,179</u>
<b>Total assets</b>		<u>2,266,586</u>	<u>2,212,802</u>
<b>Current liabilities</b>			
Payables	13	217,737	190,485
Lease liabilities	11	77,067	77,067
Provisions	14	455,348	379,022
Other liabilities	15	<u>560,654</u>	<u>413,800</u>
<b>Total current liabilities</b>		<u>1,310,806</u>	<u>1,060,374</u>
<b>Non-current liabilities</b>			
Lease liabilities	11	21,157	99,023
Provisions	14	<u>287,072</u>	<u>236,348</u>
<b>Total non-current liabilities</b>		<u>308,229</u>	<u>335,371</u>
<b>Total liabilities</b>		<u>1,619,035</u>	<u>1,395,745</u>
<b>Net assets</b>		<u>647,551</u>	<u>817,057</u>
<b>Equity</b>			
Retained surplus		<u>647,551</u>	<u>817,057</u>
<b>Total equity</b>		<u>647,551</u>	<u>817,057</u>

The accompanying notes form part of these financial statements.

MARRICKVILLE LEGAL CENTRE  
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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023

	Retained surplus \$	Total equity \$
<b>Balance as at 1 July 2021</b>	505,421	505,421
Surplus for the year	<u>311,636</u>	<u>311,636</u>
<b>Total comprehensive income for the year</b>	<u>311,636</u>	<u>311,636</u>
<b>Balance as at 30 June 2022</b>	<u>817,057</u>	<u>817,057</u>
<b>Balance as at 1 July 2022</b>	817,057	817,057
Deficit for the year	<u>(169,506)</u>	<u>(169,506)</u>
<b>Total comprehensive income for the year</b>	<u>(169,506)</u>	<u>(169,506)</u>
<b>Balance as at 30 June 2023</b>	<u>647,551</u>	<u>647,551</u>

The accompanying notes form part of these financial statements.

MARRICKVILLE LEGAL CENTRE

ABN: 53 699 012 017

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Cash flow from operating activities</b>			
Receipts from customers		90,401	261,715
Operating grant receipts		3,262,776	2,615,213
Payments to suppliers and employees		(3,191,315)	(3,031,726)
Interest received		12,580	772
Interest paid for operating lease liabilities		<u>(5,507)</u>	<u>(7,059)</u>
<b>Net cash provided by / (used in) operating activities</b>	17(a)	<u>168,935</u>	<u>(161,085)</u>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment		(6,794)	(9,626)
Payment for other non current assets		<u>-</u>	<u>(5,833)</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>(6,794)</u>	<u>(15,459)</u>
<b>Cash flow from financing activities</b>			
Principal portion of the lease payments		<u>(77,866)</u>	<u>(50,577)</u>
<b>Net cash provided by / (used in) financing activities</b>		<u>(77,866)</u>	<u>(50,577)</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		1,900,305	2,127,426
Net increase / (decrease) in cash held		<u>84,275</u>	<u>(227,121)</u>
<b>Cash at end of financial year</b>		<u>1,984,580</u>	<u>1,900,305</u>

The accompanying notes form part of these financial statements.

**MARRICKVILLE LEGAL CENTRE**

**ABN: 53 699 012 017**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report covers Marrickville Legal Centre as an individual entity. Marrickville Legal Centre is a company limited by guarantee, incorporated and domiciled in Australia. Marrickville Legal Centre is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors at the date of the directors' report.

The financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the accounting policies set out below, 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
AASB 124:	Related Party Disclosures (to the extent required by the <i>Australian Charities and Not-for-profits Commission Regulations 2022</i> and the ACNC Commissioner's discretion)
AASB 1054:	Australian Additional Disclosures

The company has not made an assessment as to whether the accounting policies applied by the company comply with the recognition and measurement requirements specified by Australian Accounting Standards and Interpretations.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

**(a) Basis of preparation of the financial report**

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

*Significant accounting estimates and judgements*

The preparation of the financial report requires the use of certain estimates and judgements in applying the company's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Revenue from contracts with customers**

The company derives revenue from the provision of services derived from the delivery of grant projects. Revenue is recognised as, or when, services are transferred to the customer, and is measured at an amount that reflects the consideration to which the company expects to be entitled in exchange for the service. Grant projects are delivered under contractual arrangements with external third parties that contain enforceable and specific performance obligations. Revenue from the provision of services is recognised over time, as performance obligations are satisfied, based on either cost incurred or service hours performed, consistent with the manner in which services are provided.

*Contract liabilities*

A contract liability represents the company's obligation to transfer goods or services to the customer for which the company has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the company transfers the contracted goods or services to the customer.

**(c) Other revenue and other income**

*Interest*

Interest revenue is measured in accordance with the effective interest method.

*Leases*

Lease revenue from operating leases is recognised on either a straight-line basis or another systematic basis (if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished).

All revenue is measured net of the amount of goods and services tax (GST).

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Income arising from the transfer of assets**

*Donations*

Cash donations are recognised as income when the company obtains control of the asset. Donations are recognised at the fair value of the consideration received.

*Capital grants*

A transfer of a financial asset, including cash, to enable the company to acquire or construct a recognisable non-financial asset to identified specifications to be controlled by the company, such as an item of property, plant and equipment, is referred to in the financial statements as a 'capital grant'. Capital grants are initially recognised as a liability (unspent capital grants liability), and subsequently recognised as income as, or when, the company satisfies its obligation to acquire or construct the specified asset to which the capital grant relates. For the acquisition of specified assets, income is recognised when the asset is acquired and controlled by the company. For the construction of specified assets, income is recognised as the construction progresses on the basis of costs incurred relative to expected costs.

*Unspent capital grants liability*

Capital grants are initially recognised as a liability (unspent capital grants liability), and subsequently recognised as income as, or when, the company satisfies its obligation to acquire or construct the specified asset to which the capital grant relates. Capital grants are recognised as income when the specified asset is acquired and controlled by the company, or as the construction of the specified asset progresses on the basis of costs incurred relative to expected costs.

**(e) Income tax**

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

**(f) Cash and cash equivalents**

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

**(g) Property, plant and equipment**

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

*Plant and equipment*

Plant and equipment is measured at cost. Where plant and equipment was acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Property, plant and equipment (Continued)**

*Depreciation*

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**(h) Right-of-use assets**

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shortest. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the company's incremental borrowing rate. Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases. Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

*Leases of 12-months or less and leases of low value assets*

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

**MARRICKVILLE LEGAL CENTRE**

**ABN: 53 699 012 017**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Provisions**

Provisions are recognised when the company 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A provision for redundancy has been made to cover the expected costs associated with potential ceasing of a particular funding program. Consideration is given to periods of service and probability of a particular funding program ceasing after its current contracted periods.

**(j) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

*(ii) Long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

**(k) Goods and services tax (GST)**

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**MARRICKVILLE LEGAL CENTRE**

**ABN: 53 699 012 017**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(I) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the process of applying the company's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The following outlines the major judgements made by management in applying the company's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

*(a) Employee provisions*

The company provides for long service leave and other provisions. These provisions will be affected by future events and there is no certainty that the company will have to pay out the non-current liabilities at the amounts recorded in the financial statements.

*(b) Revenue and other income*

The company derives revenue and other income from a range of activities and sources, including revenue from operating grants and capital grants. In accordance with Australian Accounting Standards, the company is required to determine whether it is appropriate to recognise revenue and other income in the financial year in which cash or non-cash assets are received or to defer the recognition of revenue and other income until associated obligations and/or conditions (if any) are satisfied. In making this judgement, the company considers the guidance outlined in AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and, in particular, whether the arrangement contains enforceable and sufficiently specific performance obligations. Where the company identifies the existence of enforceable and sufficiently specific performance obligations, or the arrangement requires the company to use the funds received to acquire or construct items of property, plant and equipment to identified specifications, the recognition of revenue and other income is deferred until the identified obligations are satisfied.

**MARRICKVILLE LEGAL CENTRE**  
**ABN: 53 699 012 017**

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

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Grants- Local Government	-	3,000
Grants- State Government	2,205,524	2,425,242
Grants- Commonwealth Government	503,430	491,151
Grants- other	-	36,095
	<u>2,708,954</u>	<u>2,955,488</u>
Other revenue from contracts with customers		
Fees from low bono activities	51,186	55,275
Client contributions and cost recoveries	26,288	-
Fees from secondment of staff	33,639	34,742
Fees for university graduate placement programs	26,400	9,000
Other fees	1,150	255
	<u>138,663</u>	<u>99,272</u>
	<u>2,847,617</u>	<u>3,054,760</u>

**NOTE 4: OTHER REVENUE AND OTHER INCOME**

Other revenue		
Donations	55,686	151,252
Fundraising income	10,756	240
Interest	12,580	772
Membership fees	700	735
Rental income	7,955	11,501
Other	15,074	580
	<u>102,751</u>	<u>165,080</u>

**NOTE 5: OPERATING SURPLUS (DEFICIT)**

Surplus (deficit) has been determined after:

Finance costs		
- Leasing and other charges	5,507	7,059
Depreciation		
- plant and equipment	29,480	34,348
Amortisation of non-current assets		
- leased assets	74,772	63,055
Bad and doubtful debts	7,633	7,655

**MARRICKVILLE LEGAL CENTRE**  
**ABN: 53 699 012 017**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5: OPERATING SURPLUS (DEFICIT) (CONTINUED)</b>		
Employee benefits:		
- Short term employee benefits	2,499,318	2,240,965
- Superannuation guarantee contributions	<u>241,184</u>	<u>207,038</u>
	<u><u>2,740,502</u></u>	<u><u>2,448,003</u></u>
<b>NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Compensation received by key management personnel of the company		
- employee benefits	<u>372,734</u>	<u>278,911</u>
	<u><u>372,734</u></u>	<u><u>278,911</u></u>
<p>The names of key management personnel during the year were Justin Abi-Daher, Lainie Anderson, Dominic Beckett, Ian Bennett, Lucy Carroll, James Connolly, Danielle Etherington, Brent Goldman, Graham Jenkins, Nancy Kabaara, Andrew Kelly, Liza-Jayne Loch, Vasili Maroulis and Rob Muir.            Lucy Carroll, Justin Abi-Daher and Vasili Maroulis received compensation during the year.</p>		
<b>NOTE 7: REMUNERATION OF AUDITORS</b>		
Remuneration of auditors for:		
Audit and assurance services		
- Audit or review of the financial report	<u>9,625</u>	<u>8,775</u>
	<u><u>9,625</u></u>	<u><u>8,775</u></u>
<b>NOTE 8: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	1,231,003	1,147,902
Cash on deposit	<u>753,577</u>	<u>752,403</u>
	<u><u>1,984,580</u></u>	<u><u>1,900,305</u></u>
<b>NOTE 9: RECEIVABLES</b>		
CURRENT		
Receivables	37,740	11,310
Other receivables	<u>18,334</u>	<u>9,547</u>
	<u><u>56,074</u></u>	<u><u>20,857</u></u>

MARRICKVILLE LEGAL CENTRE

ABN: 53 699 012 017

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Leasehold improvements</b>		
At cost	107,842	107,842
Accumulated depreciation	<u>(74,969)</u>	<u>(66,521)</u>
	<u>32,873</u>	<u>41,321</u>
<b>Plant and equipment</b>		
Plant and equipment at cost	292,937	308,488
Accumulated depreciation	<u>(263,457)</u>	<u>(264,770)</u>
	<u>29,480</u>	<u>43,718</u>
Total property, plant and equipment	<u>62,353</u>	<u>85,039</u>
<b>NOTE 11: LEASE ASSETS AND LEASE LIABILITIES</b>		
<b>(a) Lease assets</b>		
Right of Use Asset	232,444	232,444
Accumulated Amortisation	<u>(144,159)</u>	<u>(69,387)</u>
Total carrying amount of lease assets	<u>88,285</u>	<u>163,057</u>
<b>(b) Lease liabilities</b>		
<b>CURRENT</b>		
Lease Liability	<u>77,067</u>	<u>77,067</u>
<b>NON CURRENT</b>		
Lease Liability	<u>21,157</u>	<u>99,023</u>
Total carrying amount of lease liabilities	<u>98,224</u>	<u>176,090</u>
<b>NOTE 12: OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	52,661	25,884
Accrued income	<u>16,550</u>	<u>11,577</u>
	<u>69,211</u>	<u>37,461</u>
<b>NON CURRENT</b>		
Other non-current assets	<u>6,083</u>	<u>6,083</u>
	<u>6,083</u>	<u>6,083</u>

**MARRICKVILLE LEGAL CENTRE**  
**ABN: 53 699 012 017**

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

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>NOTE 13: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	6,817	33,806
GST payable	69,747	48,458
Other payables	67,762	55,085
Accrued expenses	68,761	48,945
Other current liabilities	<u>4,650</u>	<u>4,191</u>
	<u><u>217,737</u></u>	<u><u>190,485</u></u>

**NOTE 14: PROVISIONS**

CURRENT

Employee benefits	(a) <u>455,348</u>	<u>379,022</u>
	<u><u>455,348</u></u>	<u><u>379,022</u></u>

NON CURRENT

Employee benefits	(a) <u>287,072</u>	<u>236,348</u>
	<u><u>287,072</u></u>	<u><u>236,348</u></u>

(a) Aggregate employee benefits liability	<u><u>742,420</u></u>	<u><u>615,370</u></u>
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**NOTE 15: OTHER LIABILITIES**

CURRENT

Contract liabilities- government grants	<u><u>560,654</u></u>	<u><u>413,800</u></u>
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**Government grants**

The contract liabilities comprise grants received in advance from the Federal Government \$11,263, State Government \$520,942, Local Government \$20,000 and other agencies \$8,449.

**NOTE 16: ECONOMIC DEPENDENCE**

The company is reliant on various government agencies for funding.

MARRICKVILLE LEGAL CENTRE  
ABN: 53 699 012 017

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
<b>NOTE 17: CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash flow from operations with surplus (deficit) from operating activities</b>		
Surplus (deficit) from ordinary activities	(169,506)	311,636
<b>Adjustments and non-cash items</b>		
Amortisation	74,772	63,055
Depreciation	29,480	34,348
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in receivables	(35,216)	29,303
(Increase) / decrease in other assets	(31,750)	(16,695)
Increase / (decrease) in payables	27,251	(56,391)
Increase / (decrease) in other liabilities	146,854	(623,222)
Increase / (decrease) in provisions	<u>127,050</u>	<u>96,881</u>
Cash flows from (used in) operating activities	<u>168,935</u>	<u>(161,085)</u>

**NOTE 18: FUNDRAISING ACTIVITIES**

During the year, the company conducted general fundraising and the following information is provided to meet the reporting requirements of the Charitable Fundraising Act 1991.

Donations and fundraising income	53,442	138,492
Fundraising expenses	<u>(8,232)</u>	<u>(8,358)</u>
Net surplus from fundraising activities	<u>45,210</u>	<u>130,134</u>

**NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2023, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2023, of the company.

**NOTE 20: COMPANY DETAILS**

The registered office of the company is 338 Illawarra Rd, Marrickville NSW 2204.



MARRICKVILLE LEGAL CENTRE  
ABN: 53 699 012 017

DIRECTORS' DECLARATION

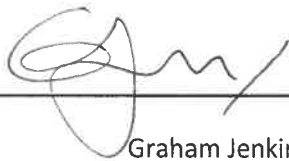
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 8 - 22, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - (a) complying with Australian Accounting Standards as detailed in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
  - (b) giving a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the company in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulations 2022*.

Director:



Graham Jenkins

Director:



Danielle Etherington

Dated this

31st

day of October 2023

Level 16, Tower 2 Darling Park  
201 Sussex Street  
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**MARRICKVILLE LEGAL CENTRE**  
**ABN: 53 699 012 017**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARRICKVILLE LEGAL CENTRE**

### **Report on the Audit of the Financial Report**

#### *Opinion*

We have audited the financial report, being a special purpose financial report of Marrickville Legal Centre, "the Company", which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Marrickville Legal Centre, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

#### *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 Company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MARRICKVILLE LEGAL CENTRE**

*Responsibilities of the Directors with Governance for the Financial Report*

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the ACNC Act and for such internal control as the Directors determine 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, the Directors are responsible for assessing the Company'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 the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company'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.

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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MARRICKVILLE LEGAL CENTRE**

*Auditor's Responsibilities for the Audit of the Financial Report (Continued)*

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.



Mark Godlewski  
Partner

31 October 2023



Pitcher Partners  
Sydney