2020 ANNUAL REPORT

Above: Horse riding fun is a regular feature in the Aranda House program, thanks to our great service partner BushMob.

DASA 2020 Board of Directors

President - Kay Eade
Vice President - Jennifer Hains
Secretary - Pam Acres
Media Officer - Eloise Page
Public Officer - Sarah Ford
Ordinary Member - Phil Walcott
Ordinary Member - Lynda Jarvis
Ordinary Member - Christine Weir
Ordinary Member - Gavin Connaughton
Ordinary Member - Nicole McCoy
Executive Member Director - Shane Franey
Executive Member Director - Allan Milner

Our Vision

A healthy and safe community in Central Australia without the harmful effects of substance misuse. DASA is prepared and is responsive to the changing needs of the community.

Our Mission

DASA walks beside people in our community to help free them from the effects of alcohol and other drug addictions by:

- Providing client driven care from crisis to independent living
- Teaching clients skills for life and making positive life choices
- Advocating for and on behalf of clients
- Providing supported residential services for clients
- Delivering preventative and continuing education
- Delivering therapeutic interventions
- Supporting people through outreach services.

DASA
Senior Leadership Team

Chief Executive Officer,
Carole Taylor

Deputy Chief Executive Officer,
Jocelyn Dhu

Chief Financial Officer,
Russell Raggatt

Quality and Compliance Manager,
Sarah Ford

Residential Services Manager,
Yasitha Malalasekara

QIC Quality Innovation Performance ACCREDITED

ihca supporting excellence CERTIFICATION
ATCA Standards for Therapeutic Communities and Residential Rehabilitation Services
QUALITY CERTIFIED ORGANISATION

ATCA CERTIFIED
THERAPEUTIC COMMUNITY MEMBER

From our President...

On behalf of the Board of Drug and Alcohol Services Australia Ltd (DASA) I submit this report for our members and stakeholders. This year has proven trying with COVID-19 rearing its ugly head, and CEO Carole Taylor and staff travelling through unchartered waters to ensure the safety and wellbeing of our vulnerable clients as well as staff. Pandemic plans, policies, and procedures were quickly put into place, and the organisation continued to run with its usual efficiency and without too much disruption.

DASA's programmes continued to expand and this year has seen a new service offered to our organisation to manage. The 'Alternatives to Custody' programme will assist women to break the cycle of return visits into the prison system. Women will have the opportunity to live in supported accommodation situated in the grounds of the Centre for Appropriate Technology while undergoing therapeutic activities. We have been funded to run this programme for eighteen months. We wish the women entering this facility all the best for a better life.

It is with much relief and gratitude that I announce that we were awarded a five-year funding contract from the Northern Territory government to continue with our vital work to enhance and improve the lives of many in our community through the Shelter and Aranda House. With DASA's programmes expanding, it will be a challenge for our Senior Management team to stretch the dollar even further in the coming year. Fortunately, our Chief Financial Officer Russell Raggatt ensures that we have financial stability throughout the financial year. His reporting continues to meet all the requirements of our Auditor, the Australian Accounting Standards, and the expectations of our funders.

Left:
Residential Manager Yasi Malalasekara delivering an engaging therapeutic sesision at Aranda House Therapeutic Community

continued...

Above: Residents and staff from across DASA took part in the Imparja Cricket Cup, and the DASA Warriors were runners up of the tournament.

This year, the Board of Directors refreshed DASA's Strategic Plan to keep aligned with our Vision and Mission. I would like to thank the Directors for their dedication and commitment to ensuring that DASA is keeping up with the service needs of this community. On behalf of the Board, I would like to make a special mention to Pam Acres, who has been an integral member of our Board for many years. Pam made the decision to retire to the East Coast to be closer to her family, and we wish her all the best.

We are fortunate to have highly skilled staff who are held in high esteem within the industry. They show great passion for what they do, and ensure their clients have the best possible chance of succeeding in their recovery. Staff also continue to meet all the standards associated with accreditation under the Quality Improvement Council as well as those expected by the Australasian Therapeutic Communities Association.

The success of our organisation can be credited to our CEO Carole Taylor, the Executive Management Team and our dedicated staff. Every staff member plays an important role which is vital to our success.

On behalf of the Board of Directors, I would like to thank all staff members for their commitment, and I would also like to thank my fellow Board members for the voluntary hours they dedicate to ensure the sustainability of this amazing organisation. ***Kay Eade* , President**

From our Chief Executive Officer...

There is no doubt that 2020 will be emblazoned in our minds for many years to come.

Firstly, there was the lockdown in March, with us having to submit a COVID-19 safety plan and as we are an essential industry, that had to be done quite quickly.

With this done, and our numbers reduced to assist the social distancing rules, DASA continued on by changing the programming at Aranda House to provide for in-house supports rather than those that were closed for a time. The staff at Aranda House stepped up during those weeks and everything went to plan with a minimum of fuss.

The outreach teams, however, found that their workload almost doubled during the lockdown, as people who were struggling with drug addiction became more and more isolated and stressed, leading to thoughts of use and relapse.

This made life very difficult for these teams as they had to do whatever they could by phone, and on the odd occasion counsel people through the screen door of their homes.

We have been very lucky here in the NT. Our lockdown ended quite quickly and after we submitted a return to work plan, we were back to the new norm within a few weeks. Now that our borders are opening up to almost all States, we do hope we can remain safe with no community transmission.

Alongside the planning around the virus, DASA negotiated with the Department of Justice to take over the Alternative to Justice facility out at the Desert Knowledge Precinct. This too was a fairly rushed negotiation, as the facility had been standing idle under the original program for over 18 months, with people becoming concerned about its failure to open.

...continued

DASA took over the project and the facility and agreed to open it within three weeks. This was accomplished including the hiring of a complete set of female staff, the fixing up of the facility to ensure it is fit for purpose, installing computer and phone facilities as well as the cameras and duress alarms for the safety of our clients. A big thank for this must go to Kristy Ryan who worked tirelessly to help bring it all together as well as to Becky Myers for taking on the day-to-day running of the facility. So far, we only have a couple of clients as we negotiate our way through the judicial system to have others referred.

All in all, it has been a very eventful year with all other programs running well and a new one about to start which will assist the hospital to transport clients who are discharged to the Sobering up Shelter. This is for those who are simply inebriated and need somewhere safe to sleep.

I would like to finish by thanking our Board of Management, especially Kay Eade, the President, for all their hard work and support they have shown me once again and a huge thank you to the staff who work tirelessly to support the residents and clients we are here to serve. Special mentions to Leanne Maloney, my EA, our Deputy CEO Jocelyn Dhu, Sarah Ford and Yasi Malalasekara for all that they do and of course my job is made so much easier by the amazing finance people Ra Schwalger and our CFO Russell Raggatt. I would like to wish everyone a safe and happy holiday period and let's hope 2021 is a far better year for everyone.

Carole Taylor , CEO

From our Chief Financial Officer

DASA is financially sound and continues to have enough cash reserves to cover all statutory and contingent employee liabilities. It has been another excellent year, and I would like to thank Ra Schwalger, our Senior Finance Officer, for her diligence and support .

Russell Raggatt, CFO

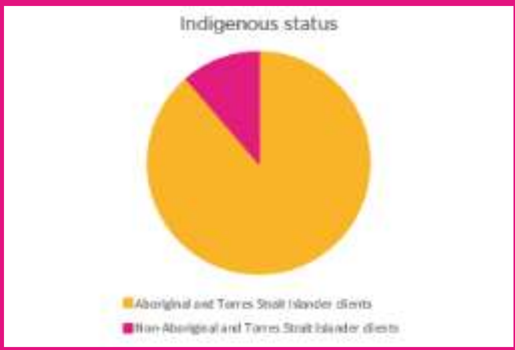
Master of Commerce – Professional Accounting

Fellow of the Institute of Public Accountants

Fellow of the Institute of Financial Accountants

From our Quality Manager, Sarah Ford

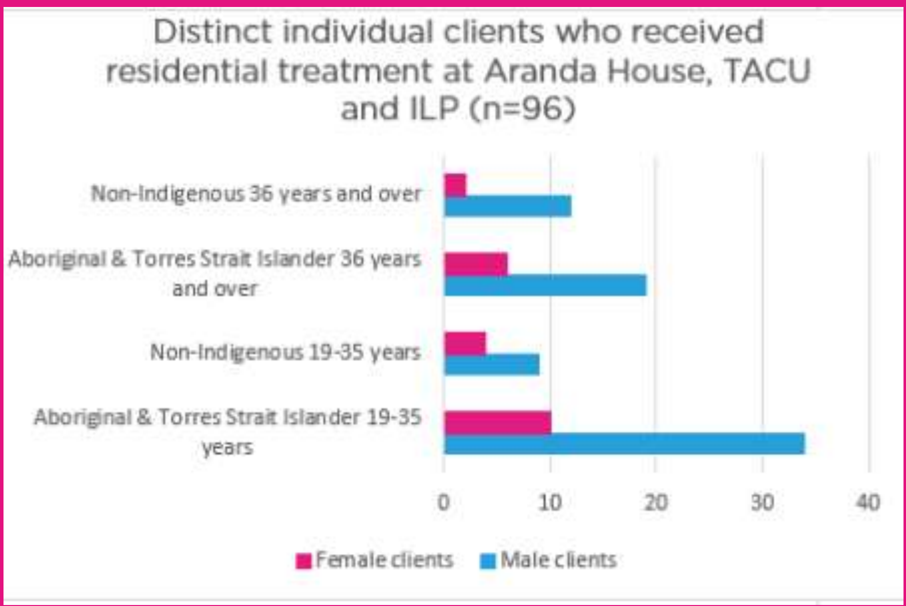
- 967 individual clients accessed DASA's programs and services in 2019-20.
- 88.73% were Aboriginal and Torres Strait Islander people.
- 41.99% of our clients were women, and 58.01% were men.



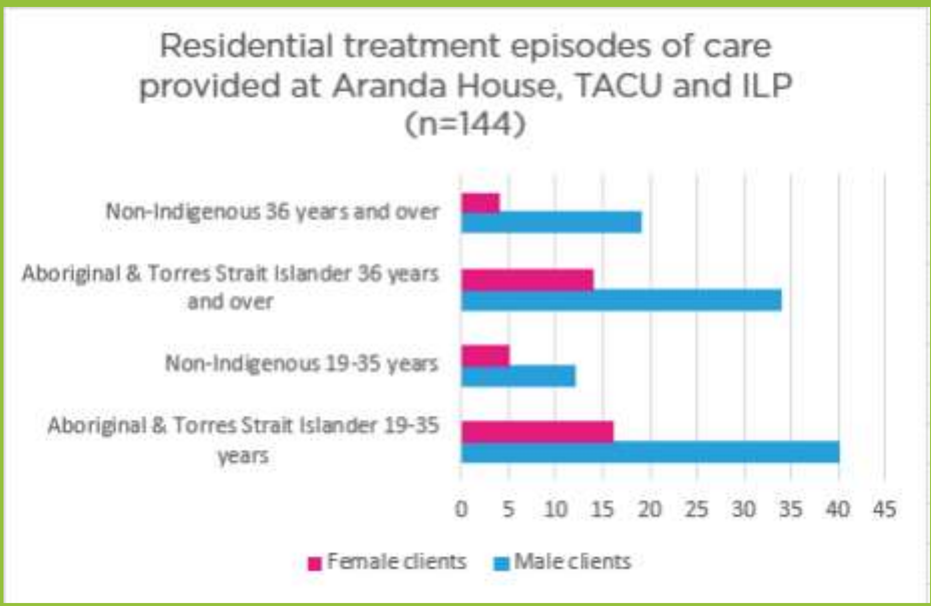
Left: Residents preparing a nutritious meal at Aranda House.

Aranda House

In 2019-20 69 (71.88%) of the 96 Aranda House residents were Aboriginal and Torres Strait Islander people and 74 (77.08%) were men. The majority of residents (60.42%) were aged between 19 and 35.



Above: Aranda Case Manager Prasadi Priyanka, takes a break from resident care to smile for the camera

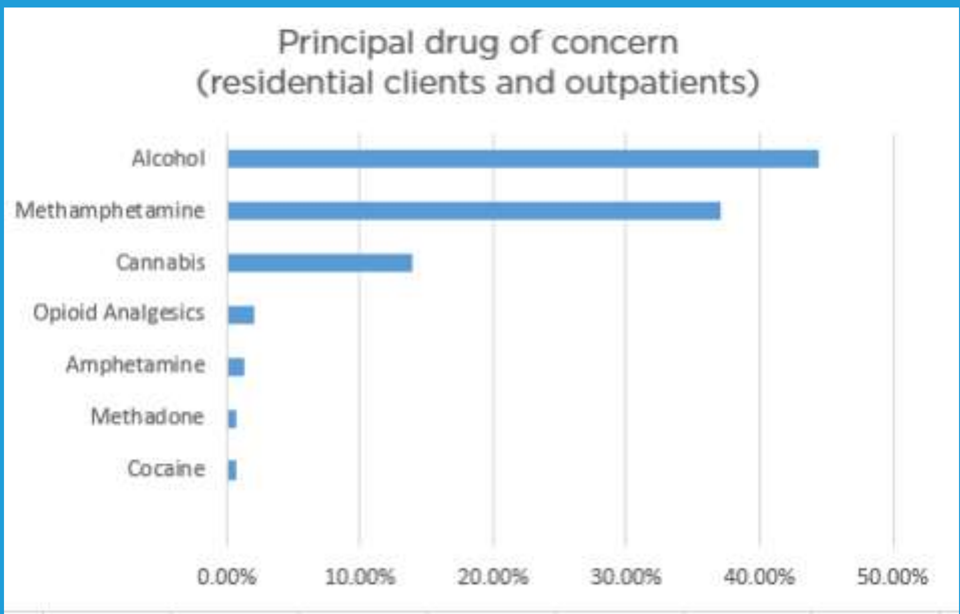


In 2019-20 Aranda House staff assessed 185 people for residential treatment. A total of 144 phases of residential care were initiated or active. This figure includes residents progressing through detoxification and three phases of early stage rehabilitation (113 in total), 21 episodes in Transitional After Care and 10 episodes in the Independent Living Program. In addition, 6 clients attended programs and received support and case management as outpatients.

...Aranda House

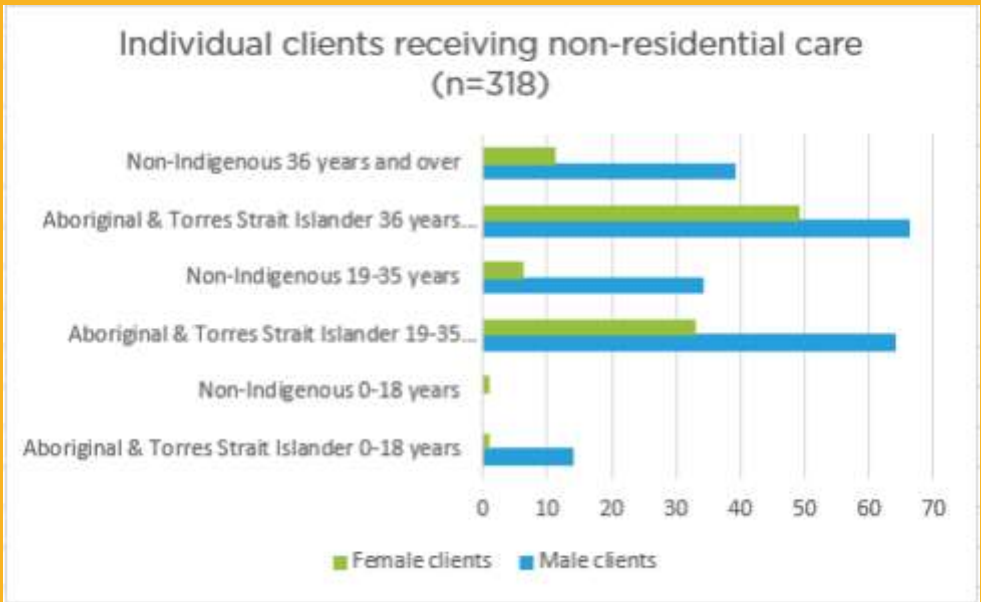
The main sources of referral were Community Corrections, followed by legal, self referrals and referral from other community service agencies. Alcohol was the primary drug of concern identified by individual clients, followed by meth-amphetamine and then cannabis.

Source of Referral to Aranda House (residential and outpatient episodes)	Count
Community based corrections	46
Employer/Workplace/School/Lawyer	31
Self	28
Other community service agency	12
Non-residential - D & A treatment agency or outpatient clinic	10
Residential - D & A treatment/care unit	7
Non-residential - Other community health care agency or outpatient clinic	3
Other hospital	3
Non-residential - Community and mental health care agency or outpatient clinic	2
Non-residential - Medical and/or allied health care agency	1
Total	**143**



Below: Aranda House Residents engaged in fitness and art therapy

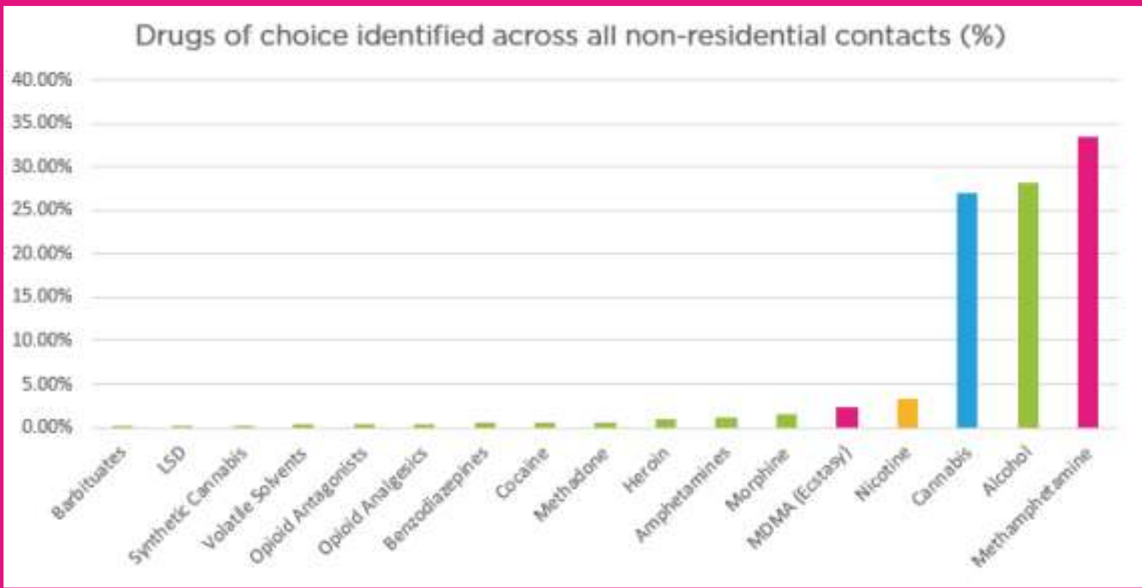
Non-residential care



In 2019-20 our Outreach, Aboriginal Youth Engagement, Methamphetamine Outreach (Ice) and commit2change staff supported 318 individual clients in the community. Staff working in non-residential care made 4,544 contacts with people requiring their assistance in their homes, in prison, and at other services in Alice Springs and in remote communities. These teams facilitated over 4,174 referrals to accommodation, health and social services for their clients.

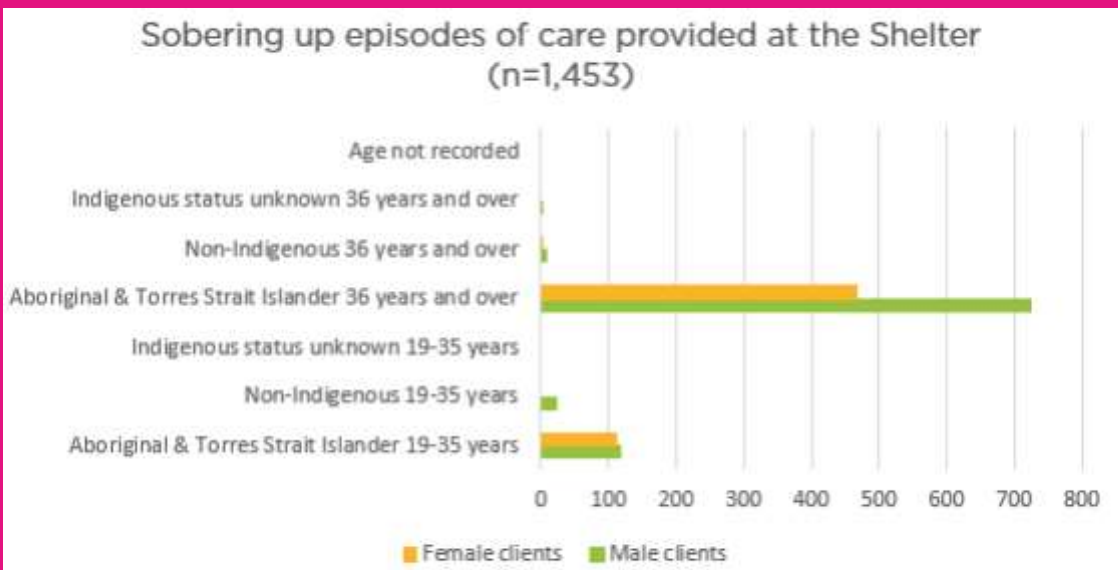
...non-residential care

As shown in the table below, methamphetamine, alcohol and cannabis were the most frequently identified drugs of choice across the 4,544 contacts. Across our non-residential services, the largest source of referrals was self-referral (69.26% of all contacts) followed by community based corrections (9.59%), community (9.16%), and prison and youth juvenile detention (4.84%).



Sobering Up Shelter

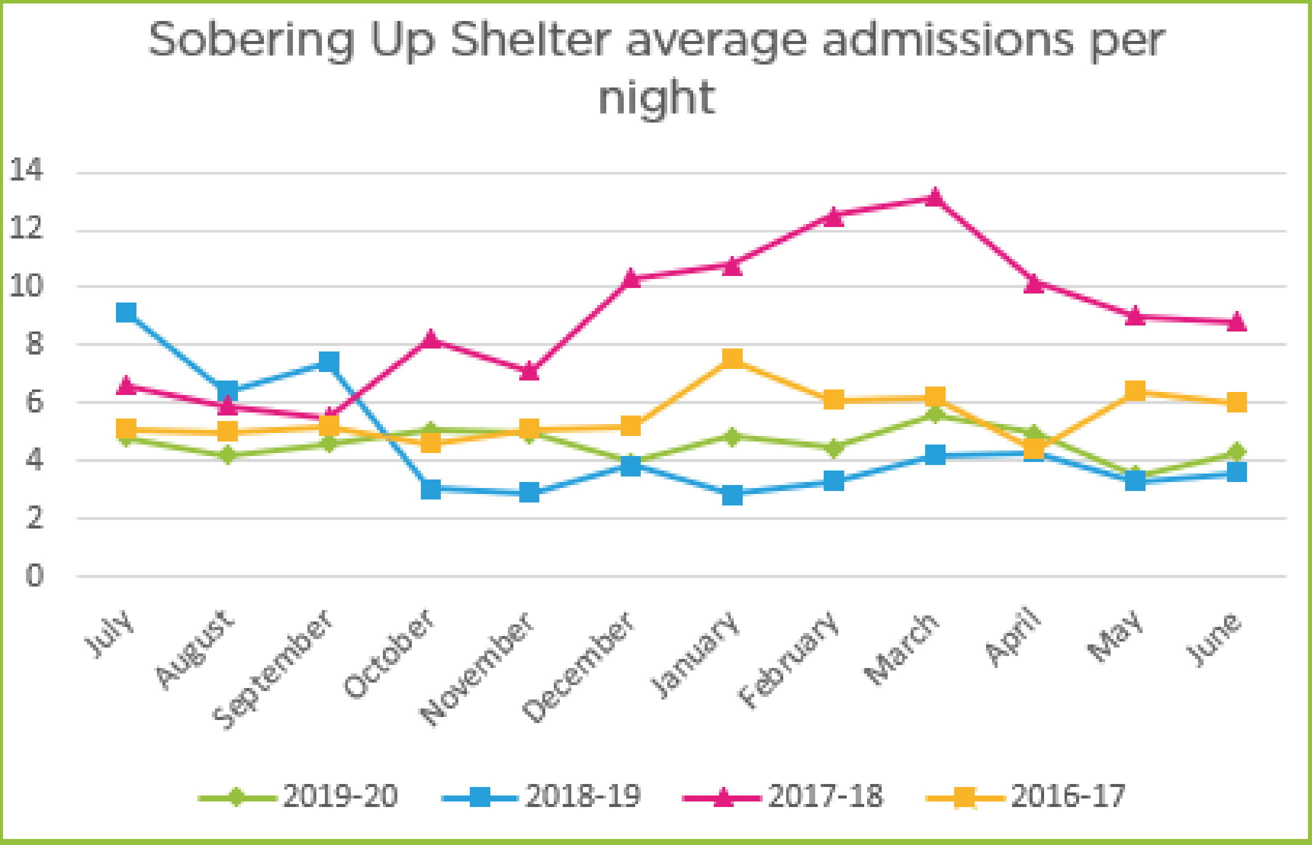
The Sobering Up Shelter continued to provide a comfortable bed, shower, washing of clothes and breakfast for people in need of a safe place to sleep off intoxication. A safe and supportive space for intoxicated clients was provided on 1,453 occasions in 2019-20. Total admissions were almost equal to the figure recorded for 2018-20 (1,413), reflecting the continued presence of the police auxiliaries at Alice Springs bottle shops.



...Sobering Up Shelter

The average number of admissions per night in 2019-20 was 4.60%, almost the same as the 2018-19 average of 4.53%. Four hundred and twenty (28.89%) of admissions in 2019-20 were single visits. A small number of clients stayed two times (12.93% of admissions represented by this group), three (6.60%) and four times (6.88%). The remaining 44.70% of admissions were of people who stayed anywhere from 5 to 72 separate nights.

Sarah Ford, Quality Manager



Drug and Alcohol Services Australia Ltd

ACN :609 947 426

Special Purpose Financial Report For The Year Ended

30 June 2020

Drug and Alcohol Services Australia Ltd

ACN :609 947 426

Special Purpose Financial Report For The Year Ended 30 June 2020

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Drug and Alcohol Services Australia Ltd

ACN :609 947 426

Directors' Report

The Directors submit the financial report of the Drug and Alcohol Services Australia Ltd for the financial year ended 30 June 2020.

Board of Directors

The names of Directors throughout the year and at the date of this report are:

Kay Eade (Chairperson)
Lynda Jarvis (Director)
Pam Acres (Director)
Carole Taylor (Secretary)
Philip Walcott (Director)
Shane Franey (Director)
Christine Weir (Director)
Jennifer Haines (Director)
Eloise Page (Director)
Allan Milner (Director)

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 activities of the Company during the financial year were the operations of a sobering up shelter, Aranda House detox and rehabilitation centre, transitional care and independent living accommodation centre, outreach service and community education, drink driver education (DDE) courses Commit to change and Methamphetamine outreach program.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The Company's operating loss for the financial year amounted to $41,579 (2019: loss of $11,654).

Events After the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for / had little financial impact on the Company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Kay Eade (Chairperson)

Philip Walcott (Director)

Dated this 16th day of September 2020

Nexia
Edwards Marshall NT

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 AND SECTION 60-40 OF THE AUSTRALIAN CHARTITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF DRUG AND ALCOHOL SERVICES AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

(i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* and Section 60-40 of the *Australian Charities Not-for-profits Commission Act 2012*, in relation to the audit, and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Nexia Edwards Marshall NT

Nexia Edwards Marshall NT
Chartered Accountants

Noel Clifford
Partner

Dated 23 September 2020

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Darwin NT 0800
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Darwin NT 0801
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DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
ACN : 609 947 426
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue and Other Income			
Grant Income	2A	4,757,051	4,558,901
Membership and Fundraising	2B	455,689	361,484
Total operating revenues		**5,212,740**	**4,920,385**
Operating Expenses			
Employment expenses	3A	4,112,838	3,808,319
Depreciation	3B	203,209	187,849
Other expenses	3C	404,142	432,658
Insurance		162,332	159,841
Client program costs		63,227	44,024
Computer and IT expenses		67,710	68,751
Food and domestic		85,902	84,443
Power and water		70,834	77,749
Repairs and maintenance		84,125	68,405
Total operating expenses		**5,254,319**	**4,932,039**
Loss for the year		**(41,579)**	**(11,654)**
Other comprehensive income		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income/ (Loss) for the year		**(41,579)**	**(11,654)**
NET CURRENT YEAR LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**(41,579)**	**(11,654)**
TOTAL COMPREHENSIVE INCOME/ (LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**(41,579)**	**(11,654)**

The accompanying notes form part of these financial statements.

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
ACN : 609 947 426
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	4	1,672,766	1,698,104
Trade and Other Receivables	5	37,947	72,399
Other Current Assets	6	103,775	104,743
TOTAL CURRENT ASSETS		**1,814,488**	**1,875,246**
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	2,338,059	2,237,510
TOTAL NON-CURRENT ASSETS		**2,338,059**	**2,237,510**
TOTAL ASSETS		**4,152,547**	**4,112,756**
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	281,635	307,681
Other liabilities	9	130,113	132,758
Employee Provisions	10	573,015	552,567
TOTAL CURRENT LIABILITIES		**984,763**	**993,006**
NON-CURRENT LIABILITIES			
Employee Provisions	10	150,514	60,901
TOTAL NON-CURRENT LIABILITIES		**150,514**	**60,901**
TOTAL LIABILITIES		**1,135,277**	**1,053,907**
NET ASSETS		**3,017,270**	**3,058,849**
EQUITY			
Reserves		135,914	135,914
Retained Earnings		2,881,356	2,922,935
TOTAL EQUITY		**3,017,270**	**3,058,849**

The accompanying notes form part of these financial statements.

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
ACN : 609 947 426
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Retained Earnings	Reserve	Total Equity
		$	$	$
Balance at 1 July 2018		2,934,589	135,914	3,070,503
Comprehensive income:				
Profit for the year		(11,654)	-	(11,654)
Other comprehensive income for the year		-	-	-
Total comprehensive income attributable to Members of the entity for the year		(11,654)	-	(11,654)
Balance at 30 June 2019		2,922,935	135,914	3,058,849
Balance at 1 July 2019		2,922,935	135,914	3,058,849
Comprehensive income:				
Loss for the year		(41,579)	-	(41,579)
Other comprehensive income (Loss) for the year		-	-	-
Total comprehensive income (loss) attributable to Members of the entity for the year		(41,579)	-	(41,579)
Balance at 30 June 2020		2,881,356	135,914	3,017,270

The accompanying notes form part of these financial statements.

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
ACN : 609 947 426
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of Grants and other income		5,216,975	4,815,224
Interest received		23,208	10,132
Payments to suppliers and employees		(4,998,127)	(4,562,121)
Interest paid - borrowings		-	-
Net cash provided by operating activities	13	**242,056**	**263,235**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposals of property, plant and equipment		36,364	1,000
Payment for property, plant and equipment		(303,758)	(171,829)
Net cash (used in) investing activities		**(267,394)**	**(170,829)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase (decrease) in cash held		(25,338)	92,406
Cash and cash equivalents at beginning of the financial year		1,698,104	1,605,698
Cash and cash equivalents at end of the financial year	13	1,672,766	1,698,104

The accompanying notes form part of these financial statements.

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
ACN : 609 947 426
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Summary of Significant Accounting Policies

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the reporting requirements of the *Corporations Act 2001* and the *Australian Charities and Not for Profits Commission (ACNC) Act 2012*. The Directors have determined that the Company is not a reporting entity. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue on September 2020 by the Directors of the Company.

Statement of Compliance

The financial report has been prepared in accordance with the *Corporations Act 2001* and the *Australian Charities and Not for Profits Commission (ACNC) Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: Presentation of Financial Statements, AASB107: Statements of Cash Flow, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1048: Interpretation of Standards and AASB 1054: Australian Additional Disclosures; as appropriate for Not-for-Profit oriented entities.

The Company has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the Company does not have any subsidiaries, associates or joint ventures. Hence the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, 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.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Revenue and Other Income

The Company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities(AASB1058) using the cumulative effective method of initially applying AASB15 and AASB1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058.

In the Current Year

Contributed Assets

The Company receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Company recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Company recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Operating Grants, Donations and Bequests

When the Company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Company :

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
ACN : 609 947 426
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Summary of Significant Accounting Policies (Cont.)

(a) Revenue and Other Income (cont.)

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 116 and AASB138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

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

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Company recognises dividends in profit or loss only when the right to receive payment is established.

Income from Service of delivery

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

A receivable will be recognised when the services are delivered. The Company's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales are made within a credit term of 30 to 45 days.

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

In the Comparative Period

Revenue is measured at the fair value of consideration received or receivable. Revenue is measured on major income categories as follows:

Non-reciprocal grant revenue is recognised in profit or loss when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Company receives non-reciprocal contributions of assets from the government and other parties for a zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
ACN : 609 947 426
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(a) Revenue and Other Income (cont.)

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Impact of Changes

The application of AASB 15 and AASB 1058 has had minimal effect on the accounting and reporting practices of the Company and a corresponding insignificant impact on the Company's operating results for the year ended 30 June 2020.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in, first-out basis.

(c) Property, Plant and Equipment

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

Leasehold Improvements

Leasehold improvements are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The carrying amount of leasehold improvements and plant and equipment are reviewed annually by Directors to ensure they are not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

In the event the carrying amount of leasehold improvements and plant and equipment is greater than their estimated recoverable amount, the carrying amount is written down immediately to their estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(c) Property, Plant and Equipment (Cont.)

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

Class of Fixed Asset	Depreciation Rate
Buildings and improvements	4-20%
Plant and equipment	10-33%
Motor Vehicles	20%

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 earnings.

(d) Leases

The Company as Lessee

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

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

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

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

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company 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 Company to further its objectives (commonly known as peppercorn / concessionary leases), the Company has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company 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: Revenue from Contracts with Customers.

Classification and Subsequent Measurement

Financial liabilities
Financial liabilities are subsequently measured at: amortised cost; or fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is: a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations 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.

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

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; or a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

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 should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

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

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

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(e) Financial Instruments (Cont.)

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

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income: 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 measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if: it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "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 is documented appropriately, so the performance of the financial liability that is 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 financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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 Company makes an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue is received on underlying equity instruments investments 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 Company'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 the following criteria need to be satisfied for the derecognition of a financial asset: the right to receive cash flows from the asset has expired or been transferred; all risk and rewards of ownership of the asset have been substantially transferred; and the Company no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

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

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.

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

(e) Financial Instruments (Cont.)

On derecognition of an investment in equity which the Company elected to classify 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 Company 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 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 are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9 : Financial Instruments :

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

General Approach

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

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there has been no significant increase in credit risk since initial recognition, the Company measures the loss allowance of the 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 at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

The approach is applicable to :

- trade receivable; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivable is 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 assets that are considered to be credit impaired (not on acquisition or originations), the Company measures any changes 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 is 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;
- the likelihood 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.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(e) Financial Instruments (Cont.)

Low Credit Risk Operational Simplification Approach
If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12 month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Company 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 not necessarily, reduce the ability of the borrower to fulfill 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 lower than the credit risk of the jurisdiction in which it operates.

Recognition of Expected Credit Losses in Financial Statements
At each reporting date, the Company 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. The 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 Company 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 Company 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 Benefits

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

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

It is the policy of the Company to make provision for personal/sick leave in accordance with the limitations inherent in our ongoing funding and the fixed minimum staffing levels required by the various programs.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(g) Employee Benefits (Cont.)

Other long-term employee benefits

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

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

The Corporation based on past experience records employee's long service leave entitlements on commencement of their employment with the organisation.

Retirement benefit obligations

Defined contribution superannuation benefits

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

(h) Cash and Cash Equivalents

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

(i) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

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

(k) 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(l) Comparative Figures

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

(m) Accounts Receivables and Other Debtors

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

(n) Contract Assets

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

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(o) Trade and Other Payables

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

(p) Contract Liabilities

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

(q) 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 Company.

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

Key estimates

(i) Impairment- General

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

Impairment of leasehold improvements and plant and equipment

The Company assesses impairment of leasehold improvements and plant and equipment at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. There was no provision for impairment of leasehold improvements and plant and equipment at 30 June 2020 (2019: $Nil).

Impairment of accounts receivable

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position. Provision for impairment of receivables at 30 June 2020 amounted to $Nil (2019: $32,000).

(ii) Useful lives of property, plant and equipment

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

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

Key judgments

(i) Performance Obligations Under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised 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.

(ii) Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(r) Fair Value of Assets

The Company measures some of its assets 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 Company 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. The fair values of assets 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 (ie the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the Company at the end of the reporting period (ie the market that maximises the receipt from the sale of the asset, 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.

(s) Economic Dependence

The Company is dependent on Commonwealth and NT Government grants for the majority of its revenue to operate its programs and business. At the date of this report, the Directors have no reason to believe that the above governments will not continue to support the Company. The operations and future success of the Company is dependent upon the continued support and funding by the government bodies, its members and donors and the achievement of operating surpluses and positive operating cash flows. However should funding cease for whatever reason sufficient funds are available to pay all debts including staff redundancies.

(t) Adoption of New and Revised Accounting Standards

The Company has implemented three new Accounting Standards that are applicable for the current reporting period. AASB 15: Revenue from Contracts with Customers, AASB 1058: Income of Not-for-Profit Entities and AASB 16: Leases have been applied using the cumulative effective method; that is, by recognising the cumulative effect of initially applying AASB 15, AASB 1058 and AASB 16 as an adjustment to the opening balance of equity as at 1 July 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118: Revenue, and AASB 117: Leases and AASB 1004: Contributions. Also to note in relation to AASB 16 is that the Company applied the temporary relief for peppercorn leases under AASB 2018-8 to measure the right of use assets at cost on initial recognition.

Initial Application of AASB 16 : Leases

The Company has adopted AASB 16: Leases retrospectively with a date of initial application of 1 July 2019. As a result, the Company has changed its accounting policy for leases recognition as detailed in this note. In accordance with AASB 16 the comparatives for the 2019 reporting period have not been restated and the cumulative effect of initially applying AASB 16 recognised at 1 July 2019.

The Directors assessed that there is no material difference in the result of the Company between applying AASB 117 and AASB 16 as the Company only has photocopier rental lease expenses related to low value and or short term leases.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(t) Adoption of New and Revised Accounting Standards (Cont.)

Initial Application of AASB 15 and AASB 1058

The Company has applied AASB 15 : Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

The Company has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application.

The Directors have assessed that the application of AASB 15 and AASB 1058 has had minimal effect on the accounting and reporting practices of the Company and a corresponding insignificant impact on the Company's operating results for the year ended 30 June 2020. There is no material difference in the results of the Company between applying AASB 15 and AASB 1058 and AASB 118. No adjustments were deemed necessary to the opening balance of equity at 1 July 2019.

A classification change occurred which resulted in Grants Received in Advance now being classified as Contract Liability in line with wording used in AASB 15.

The table below provides details of the significant changes and quantitative impact of these changes on initial date if application 1 July 2019:

Statement of Financial Position	As presented on 30 June 2019	Application Impact of AASB 15 & AASB 1058	As at 1 July 2019
CURRENT LIABILITIES			
Unexpended Grants	132,758	(132,758)	-
Contract Liabilities	-	132,758	132,758
EQUITY			
Retained Earnings	-	-	-

(u) New Accounting Standards and Interpretations Not Yet Mandatory Or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2020. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 2 Income

2A Grant Income

	2020	2019
	$	$
Department of Health-Northern Territory	2,187,554	2,317,582
Northern Territory PHN	708,955	600,655
Department of Prime Minister and Cabinet	1,506,810	1,293,893
Other miscellaneous grants	351,034	233,507
Unexpended grants brought forward	94,786	207,997
Unexpended grants carried forward	(92,088)	(94,733)
Total Grant Income	4,757,051	4,558,901

2B Other Income

	2020	2019
	$	$
Fee income	326,080	318,749
Interest income	12,623	14,513
Sundry income	80,622	27,222
Gain on Disposal of Assets	36,364	1,000
Total Other Income	455,689	361,484

Note 3 Expenses

3A Employee Cost

	2020	2019
	$	$
Salaries and Wages	3,664,100	3,421,377
Superannuation	338,677	311,125
Movement in Leave Expenses	110,061	75,817
Total employee cost	4,112,838	3,808,319

3B Depreciation

	2020	2019
	$	$
Buildings and improvements	139,603	129,656
Plant and Equipment	9,293	8,172
Motor vehicles	54,313	50,021
Total Depreciation expense	203,209	187,849

3C Other Expenses

	2020	2019
	$	$
Accreditation and evaluation fees	20,439	16,782
Bad and doubtful debts	43,658	52,645
Cleaning and waste removal	41,593	36,990
Security	23,030	17,624
AGM and Board Governance	10,100	6,920
Printing, postage and stationery	13,134	22,297
Telephone and Internet	30,331	27,230
Training costs and materials	34,648	40,817
Travel and accommodation	50,918	70,613
Motor Vehicle expenses	28,189	33,833
Consultant Fees	1,923	14,788
Client Assistance	20,868	17,274
Minor Equipments	24,170	24,675
Sundry expenses	56,319	50,170
Rental Expense on Low Value Assets	4,822	-
Total other expenses	404,142	432,658

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
ACN : 609 947 426
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 4 Cash and Cash Equivalents

	Note	2020 $	2019 $
CURRENT			
Cash at Bank		697,286	839,665
Term Deposit		975,129	857,489
Cash on hand		351	950
Total Cash on Hand and at Bank	13, 15	1,672,766	1,698,104

Note 5 Trade and Other Receivables

	Note	2020 $	2019 $
CURRENT			
Receivables :			
Trade receivables		36,947	92,095
Less :Provision for impairment of receivables		-	(32,000)
Total accounts receivable		36,947	60,095
Other Receivables :			
Accrued Interest		-	10,585
Other receivables		1,000	1,719
Total Other receivables		1,000	12,304
Total current trade and other receivables	15	37,947	72,399

The Company's normal credit term is 30 days.
No collateral is held over trade and other receivables.

Note 6 Other Current Assets

	Note	2020 $	2019 $
CURRENT			
Prepayments		103,775	104,743
Total Other Current Assets		103,775	104,743

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 7 Property, Plant and Equipment

	2020 $	2019 $
Land		
At cost- Bath Street	285,000	285,000
Buildings and improvements at cost		
At cost	3,334,938	3,214,374
Less Accumulated depreciation	(1,540,195)	(1,400,592)
	1,794,743	1,813,782
Total Land and Buildings and Improvements at cost	2,079,743	2,098,782
Plant and equipment:		
At cost	543,370	516,814
Less Accumulated depreciation	(506,760)	(497,467)
Total Plant and equipment	36,610	19,347
Motor vehicles:		
At Cost	379,650	396,489
Less Accumulated depreciation	(157,944)	(277,108)
Total Motor vehicles	221,706	119,381
Total Plant and Equipment	258,316	138,728
Total property, plant and equipment	2,338,059	2,237,510

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:

	Land $	Buildings and improvements $	Plant and Equipment $	Motor Vehicles $	Total $
Carrying amount at 1 July 2019	285,000	1,813,782	19,347	119,381	2,237,510
Additions at cost	-	120,564	26,556	156,638	303,758
Disposals	-	-	-	-	-
Depreciation expense	-	(139,603)	(9,293)	(54,313)	(203,209)
Carrying amount at 30 June 2020	285,000	1,794,743	36,610	221,706	2,338,059

Note 8 Trade and Other Payables

	Note	2020 $	2019 $
CURRENT			
Trade creditors and accrued expenses		48,220	167,166
Other payables		195,794	121,842
PAYG and GST payable (net)		37,621	18,673
Total Trade and Other Payables		281,635	307,681

(a) Financial liabilities at amortised cost are classified as trade and other payables.

	Note	2020 $	2019 $
Trade and other payables:			
— Total Current		281,635	307,681
— Total Non Current		-	-
		281,635	307,681
Less Deferred income		-	-
Total trade and other payables		281,635	307,681
Financial liabilities as trade and other payables	15	281,635	307,681

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
ACN : 609 947 426
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 9 Other Liabilities

	Note	2020 $	2019 $
CURRENT			
Unexpended grants		-	132,758
Contract Liabilities - grant funded programmes	19	130,113	-
Total Other Liabilities		130,113	132,758

Contract liabilities - movement in amounts :

Balance at the beginning of the year	-
Reclassified from Deferred income / Unexpended grants on initial application of AASB 15	132,758
Additions: Grants for which performance obligations will only be satisfied in subsequent years	92,088
Expended : Grants acquitted or utilised during the year	(94,733)
Closing balance	130,113

Note 10 Employee Provisions

	2020 $	2019 $
CURRENT		
Provision for employee benefits: annual leave	115,618	100,327
Provision for employee benefits: sick leave	285,431	226,015
Provision for employee benefits: long service leave	171,966	226,225
	573,015	552,567
NON-CURRENT		
Provision for employee benefits: long service leave	150,514	60,901
	150,514	60,901
Total provisions for employee benefits	723,529	613,468

	Total $
Analysis of total provisions:	
Opening balance at 1 July 2019	613,468
Net provisions raised during the year	110,061
Balance at 30 June 2020	723,529

Provision For Employee Benefits

Employee provisions represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company 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 Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 11 Key Management Remuneration

	2020	2019
	$	$
The totals of remuneration paid to KMP of the Company during the year are as follows:		
Short- term employment benefits	438,632	404,313
Post employment benefits	41,546	37,781
Total Key Management Remuneration	480,178	- 442,094

Note 12 Other Related Party Disclosure

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel or individual or collectively with their close family members.

Transactions between related parties are on commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no other related party transactions in 2020 (2019 :$Nil).

Note 13 Cash Flow Information

	Note	2020 $	2019 $
(a) Reconciliation of cash and cash equivalents to Statement of Cash Flows:			
Cash on hand and at bank	4	1,672,766	1,698,104
Total cash as stated in the Statement of cash flows		1,672,766	1,698,104
(b) Reconciliation of Cash Flow from Operating Activities with Current Year (Loss)			
(Loss) for the current year		(41,579)	(11,654)
Non-cash flows:			
Depreciation and amortisation expense		203,209	187,849
(Gain)/ losses on disposal of property, plant and equipment		(36,364)	(1,000)
Changes in assets and liabilities:			
(Increase)/decrease in Trade and other receivables		34,452	7,617
(Increase)/decrease in Prepayments		968	(25,650)
Increase/(decrease) in Trade and other payables		(26,046)	143,147
Increase/(decrease) in Other liabilities		(2,645)	(112,891)
Increase/(decrease) in Employee provisions		110,061	75,817
Net cash provided by (used in) operating activities		242,056	263,235

Note 14 Capital and Leasing Commitments:

(a) Lease Commitments

	2020 $	2019 $
Rental commitments : short term and low value assets		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	4,822	4,822
One to five years	11,828	16,638
More than 5 years	-	-
	16,650	21,460

The non-cancellable operating leasing commitments in 2020 are related to Rentals of Photocopier Machines. The Company has no property rentals.

(b) Capital Expenditure Commitments

The Company has no capital expenditure commitments as at 30 June 2020 (2019:$Nil).

Note 15 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short term and long-term investments, account receivables and payables, contract assets, lease liabilities and contract liabilities.

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

Financial assets	Note	2020 $	2019 $
Financial assets at amortised cost:			
Cash and cash equivalents	4	1,672,766	1,698,104
Trade and other receivables	5	37,947	72,399
Total financial assets		1,710,713	1,770,503
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	8	281,635	307,681
Total financial liabilities		281,635	307,681

Refer to Note 16 for detailed disclosures regarding the fair value measurements of the Company's financial assets.

Note 16 Fair Value Measurements

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 values as presented in the statement of financial position.

	Note	2020 Carrying Amount $	2020 Fair Value $	2019 Carrying Amount $	2019 Fair Value $
Financial assets					
Cash and cash equivalents	4, 15	1,672,766	1,672,766	1,698,104	1,698,104
Trade and other receivables	5, 15	37,947	37,947	72,399	72,399
Total financial assets		1,710,713	1,710,713	1,770,503	1,770,503
Financial liabilities					
Trade and other payables	8, 15	281,635	281,635	307,681	307,681
Total financial liabilities		281,635	281,635	307,681	307,681

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

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:
(a) in the principal market for the asset or liability; or
(b) in the absence of a principal market, in the most advantageous market for the asset or liability."

	Note	2020 Carrying Amount $	2020 Fair Value $	2019 Carrying Amount $	2019 Fair Value $
Non-Financial assets					
Freehold land	7	285,000	285,000	285,000	285,000
Buildings and improvements	7	1,794,743	1,794,743	1,813,782	1,813,782
Total Non-financial assets		2,079,743	2,079,743	2,098,782	2,098,782

(i) For buildings, the fair values are based on a cost basis less accumulated depreciation.
In the Directors' annual assessment of impairment of assets, the cost basis of buildings and demountables less accumulated depreciation, is considered to be the appropriate base still, given the assets location, use and the cost of replacement.

Note 17 Contingent Liabilities and Contingent Assets

The Company has no Contingent Liabilities as at 30 June 2020 (2019:$Nil).

Note 18 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 that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity.

Note 19 Company Details

The Principal place of business is:

4 Schwarz Cres, Alice Springs NT 0870.

DRUG AND ALCOHOL SERVICES AUSTRALIA LTD.
ACN : 609 947 426
DECLARATION BY DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2020

The Directors have determined that the Company is not a reporting entity and that this special purpose financial report is prepared in accordance with the accounting policies stated in note 1 to the financial statements.

The Directors declare that the financial statements as set out on page 3 to 25 are in accordance with the requirements of the *Corporations Act 2001* and with the *Australian Charities and Not for Profits Commission Act 2012* and:

1 Comply with Australian Accounting Standards as described in note 1 to the financial statements;

2 Give a true and fair view of the financial position of the Company as at 30 June 2020, its performance and cash flows for the year ended on that date; and

3 At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

Dated 16th SEPTEMBER 2020

Dated 16th September 2020

Nexia
Edwards Marshall NT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRUG AND ALCOHOL SERVICES AUSTRALIA LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Drug and Alcohol Services Australia Limited (the "Company"), which comprises the statement of financial position as at 30 June 2020, 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 Drug and Alcohol Services Australia Limited, is in accordance with the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*, including:

(a) Giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
(b) Complying with Australian Accounting Standards to the extent described in Note 1 to the financial report and the *Corporations Regulations 2001* and 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors financial reporting responsibilities under the Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view – in accordance with Australian Accounting Standards to the extent described in Note 1, the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors are also responsible 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 Company'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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRUG AND ALCOHOL SERVICES AUSTRALIA LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONT.)

Auditor's responsibility 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 those charged with governance.
- 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.

We communicate with the directors and management 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Nexia Edwards Marshall NT

Nexia Edwards Marshall NT
Chartered Accountants

Noel Clifford
Partner
Dated 23 September 2020

Our Funders

Without the support of our funders, DASA could not do the work that it does. DASA would like to acknowledge our funders and thank them for their sponsorship over the past financial year.

NORTHERN TERRITORY GOVERNMENT

Department of Health

Department of the Attorney-General and Justice

phn NORTHERN TERRITORY

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Australian Government

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Everyone is welcome at DASA.

Straight, gay, lesbian, bisexual, transgender,

inter-sex, or not just sure, you are ALL very welcome here.

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For all Corporate, commit2change, Methamphetamine Outreach, Aboriginal Outreach and Drink Driver Education enquiries contact our Head Office.

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