

**Canberra Alliance for Harm Minimisation and Advocacy**

**ABN: 58 857 576 921**

**Financial Statements**

**For the Year Ended 30 June 2022**

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Contents**

**For the Year Ended 30 June 2022**

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**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Board Members' Report**

**For the Year Ended 30 June 2022**

The Board Members present their report on CAHMA - Canberra Alliance for Harm Minimisation and Advocacy Incorporated (“the Association”) for the financial year ended 30 June 2022.

**Board members**

The names of the board members in office at any time during, or since the end of, the year are:

|  |  |  |
| --- | --- | --- |
| **Names** | **Position** | **Appointed/Resigned** |
| Collin Stoddart | President | Elected 30 November 2020 |
| Bronwyn Hendry | General Member | Elected 30 November 2020 |
| Thomas Maling | General Member | Appointed October 29th 2021 |
| Lanie Sterrett | Secretary | Appointed 30 November 2020 |
| Peta Harris | Vice President | Elected 30 November 2020 |
| Dayle Summerfield | Treasurer | Elected 30 November 2020 |
| Lachlan Dean | General Member | Appointed 30 November 2020 |

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

**Principal activities**

On 11 December 2018 CAHMA became an incorporated association in the Australian Capital Territory under the under the Associations Incorporation Act 1991.

The principal activities of CAHMA during the financial year were to promote the health and human rights of people who use or have used illicit drugs. CAHMA works to reduce the discrimination and stigma experienced by drug users and to try to instill a sense of worth and pride in people who use illicit drugs. CAHMA provides information on Alcohol and Other Drug Services as well as various other government and community services.

No significant changes in the nature of the Association's activity occurred during the financial year.

**Meetings of board members**

During the financial year, 5 board meetings were held. Attendances by each board member during the year were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Board Members' Meetings** | |
|  | **Number attended** |  |
|  | **Number eligible to attend** |
| Collin Stoddart | 5 | 5 |
| Peta Harris | 5 | 5 |
| Dayle Summerfield | 4 | 5 |
| Lanie Sterrett | 4 | 5 |
| Bronwyn Hendry | 4 | 5 |
| Lachlan Dean | 5 | 5 |
| Thomas Maling | 2 | 4 |
|  |  |  |

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Board Members' Report**

**For the Year Ended 30 June 2022**

**Operating result**

The profit of the Association amounted to $67,284 (2021 $81,716)

**Significant changes in state of affairs**

There have been no significant changes in the state of affairs of the Association during the year.

**Events after the reporting date**

The Board are not aware of any significant events since the end of the reporting period with the exception of the possible effect of the Novel Coronavirus (COVID-19) pandemic and the related impact on the Association’s future results of operations, cash flows and financial condition which cannot be reasonably estimated at this stage.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

**Environmental issues**

The Association's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

**Indemnification and insurance of officers and auditors**

The Association has paid premiums to insure each of the board members against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of board members of the Association, other than conduct involving a willful breach of duty in relation to the Association.

**Proceedings on behalf of association**

No person has applied for leave of court to bring proceedings on behalf of the Association or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of those proceedings.

The Association was not a party to any such proceedings during the year.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Board Members' Report**

**For the Year Ended 30 June 2022**

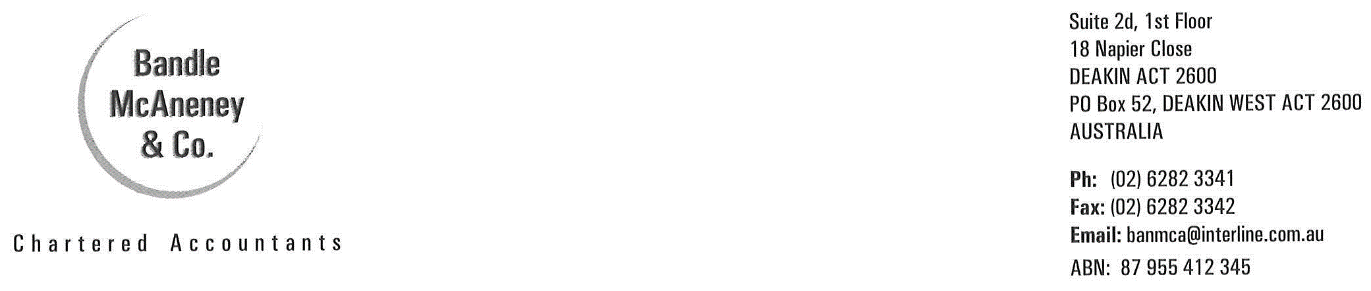
**Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board Members:

President: Colin Stoddart

Dated: 2022



**CANBERRA ALLIANCE FOR HARM MINIMISATION AND ADVOCACY (CAHMA)**

**YEAR ENDED 30 June 2022**

**AUDITOR’S INDEPENDENCE DECLARATION**

As auditor of the financial report of Canberra Alliance for Harm Minimisation and Advocacy (CAHMA) for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief that have been no contraventions of:

1. The auditor independence requirements of the *Australian Charities and Not-for-profits Commission act 2012* in relation to the audit; and
2. Any applicable code of professional conduct in relation to the audit.

**Bandle McAneney & Co**

**Anthony J Bandle FCA**

**Partner**

**Canberra:**

**Dated this 2022**

*Liability limited by a scheme approved under Professional Standards Legislation*

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Statement of Profit or Loss and Other Comprehensive Income**

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **2022** | **2021** |
|  | **Note** | | **$** | **$** |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **REVENUE** |  |  |  |  |
| Grant - other Australian | 2 |  | **1,500,288** | **1,331,745** |
| Interest income | 2 |  | **300** | **399** |
| COVID Response Grant | 2 |  | **336,765** | **-** |
| Other income | 2 |  | **51,585** | **3,600** |
| **TOTAL REVENUE** |  |  | **1,888,938** | **1,335,744** |
| **EXPENDITURE** |  |  |  |  |
|  |  |  |  |  |
| Operating expenditure |  |  | **1,821,654** | **1,254,028** |
| **Excess of revenue over expenditure** |  |  | **67,284** | **81,716** |
| **Other Comprehensive Income** |  |  | **-** | **-** |
| **Total comprehensive income for the year** |  |  | **67,284** | **81,716** |
|  |  |  |  |  |

The accompanying notes form part of these financial statements.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Detailed Profit or Loss Statement**

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **2022** | **2021** |
|  | **Note** | | **$** | **$** |  |
| **Income** |  |  |  |  |
| Grant - other Australian | 2 |  | **1,500,288** | **1,331,745** |
| Interest income | 2 |  | **300** | **399** |
| COVID Response Grant | 2 |  | **336,765** | **-** |
| Other income | 2 |  | **51,585** | **3,600** |
|  |  |  | **1,888,938** | **1,335,744** |
| **Less: Direct Expenses** |  |  |  |  |
| Employee benefits expense | 3 |  | **(1,113,876)** | **(861,973)** |
| Printing and Stationary |  |  | **(17,102)** | **(12,295)** |
| Client Costs |  |  | **(159,525)** | **(47,567)** |
| Computer and IT expenses |  |  | **(77,333)** | **(27,712)** |
| Health Promotion |  |  | **(7,465)** | **(241)** |
| Legal Expenses |  |  | **(98)** | **(13,660)** |
| Depreciation of property, plant and equipment | 3 |  | **(7,967)** | **(4,336)** |
| Depreciation of Right of Use Asset |  |  | **(45,468)** | **(45,468)** |
| Interest Paid – Right of Use Asset |  |  | **(7,239)** | **(9,417)** |
| Subscriptions |  |  | **(16,520)** | **(12,343)** |
| Insurance |  |  | **(10,603)** | **(9,959)** |
| Consultancy and External Supervision |  |  | **(84,400)** | **(12,562)** |
| Telephone and Internet |  |  | **(7,014)** | **(6,137)** |
| Travel and Training |  |  | **(20,681)** | **(8,367)** |
| Audit and Accounting |  |  | **(55,151)** | **(37,989)** |
| Materials and Resources |  |  | **(50,413)** | **(42,554)** |
| Motor Vehicle Expenses |  |  | **(30,900)** | **(15,654)** |
| Volunteer Payments |  |  | **(14,305)** | **(29,987)** |
| Workers Compensation |  |  | **(26,259)** | **(16,350)** |
| Other expenses |  |  | **(69,335)** | **(39,457)** |
|  |  |  | **(1,821,654)** | **(1,254,028)** |
| **Net profit** |  |  | **67,284** | **81,716** |
| 123 |  |  |  |  |

The accompanying notes form part of these financial statements.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Statement of Financial Position**

**As At 30 June 2022**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2022** | **2021** |
| **Note** | **$** | | **$** |
| 4 |  | **779,534** | **774,958** |
| 5 |  | **15,803** | **9,720** |
| 6 |  | **13,310** | **13,310** |
| 7 |  | **8,894** | **14,035** |
|  |  | **817,541** | **812,023** |
|  |  |  |  |
| 8(a)  8(b) |  | **17,262**  **102,295** | **11,999**  **147,763** |
|  |  | **119,557** | **159,762** |
|  |  | **937,098** | **971,785** |
|  |  |  |  |
|  |  |  |  |
|  |  | **48,368** | **44,175** |
| 9 |  | **97,124** | **117,873** |
| 10 |  | **179,472** | **126,168** |
| 11 |  | **87,675** | **184,342** |
|  |  |  |  |
|  |  | **412,639** | **472,558** |
|  |  |  |  |
|  |  | **66,613** | **114,981** |
|  |  | **20,300** | **13,984** |
|  |  | **86,913** | **128,965** |
|  |  | **499,552** | **601,523** |
|  |  |  |  |
|  |  | **437,546** | **370,262** |
|  |  | **437,546** | **370,262** |
|  |  | **437,546** | **370,262** |
|  |  |  |  |

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents

Trade and other receivables

Other financial assets

Other assets

**TOTAL CURRENT ASSETS**

**NON-CURRENT ASSETS**

Property, plant and equipment

Right of Use Asset

**TOTAL NON-CURRENT ASSETS**

**TOTAL ASSETS**

**LIABILITIES**

**CURRENT LIABILITIES**

Lease Liability

Trade and other payables

Employee benefits

Other financial liabilities

**TOTAL CURRENT LIABILITIES**

**NON-CURRENT LIABILITIES**

Lease Liability

Employee benefits

**TOTAL NON-CURRENT LIABILITIES**

**TOTAL LIABILITIES**

**NET ASSETS**

**EQUITY**

Retained earnings

**TOTAL EQUITY**

The accompanying notes form part of these financial statements.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Statement of Changes in Equity**

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | |  | |
|  | **Retained** | |  | |
|  |  | |  | |
| **2021** | **Earnings** | | **Total** | |
|  | **$** | | **$** | |
| **Balance at 1 July 2020** | **288,546** | | **288,546** | |
| Surplus to entity | **81,716** | | **81,716** | |
| **Balance at 30 June 2021** | **370,262** | | **370,262** | |
|  |  |  | |  | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2022** | **Earnings** | | **Total** | |
|  | **$** | | **$** | |
| **Balance at 1 July 2021** | **370,262** | | **370,262** | |
| Surplus to entity | **67,284** | | **67,284** | |
| **Balance at 30 June 2022** | **437,546** | | **437,546** | |
|  |  |  | |  | |

The accompanying notes form part of these financial statements.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Statement of Cash Flows**

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** |  |  | **2022** | **2021** |
| Receipts from customers |  |  | **2,077,558** | **1,577,797** |
| Payments to suppliers and employees |  |  | **(2,008,638)** | **(1,069,154)** |
| Interest Received |  |  | **300** | **399** |
| Net cash provided by/(used in) operating activities |  |  | **69,220** | **509,042** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** |  |  |  |  |  |  |  |
| Purchase of property, plant and equipment |  |  | **(13,230)** |  |  |  |  | **(10,605)** |
| Net cash provided by/(used in) investing activities |  |  | **(13,230)** |  |  |  |  | **(10,605)** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** |  |  |  |  |  |
| Repayment of lease interest and principal |  |  | **(51,414)** |  | **(49,670)** |
| Net Cash provide by/(used in) financing activities |  |  | **(51,414)** |  | **(49,670)** |
|  |  |  |  |  |  |
| Net increase/(decrease) in cash and cash equivalents held |  |  | **4,576** |  | **448,767** |
| Cash and cash equivalents at beginning of year |  |  | **774,958** |  | **326,191** |
| Cash and cash equivalents at end of financial year |  |  | **779,534** |  | **774,958** |

The accompanying notes form part of these financial statements.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

The financial report covers CAHMA as an individual entity. CAHMA Incorporated is a not-for-profit Association, registered and domiciled in Australia.

1. **Summary of Significant Accounting Policies**
   1. **Revenue recognition**

**Revenue recognition –contracts with customers**

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

The customer for these contracts is the fund provider.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price

5. Recognise revenue

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

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

Contract assets arise when work has been performed on a particular program and goods or services have been transferred to the customer but the invoicing milestone has not been reached and the rights to the consideration are not unconditional. If the rights to the consideration are unconditional then a receivable is recognised. No impairment losses were recognised in relation to these assets during the year (2020: $nil).

Contract liabilities generally represent the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant / fees. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current. Where the monies are received for the Association to acquire or construct an item of property, plant and equipment which will be controlled by the Association then the funds are recognised as a contract liability and amortised to revenue as and when the obligation is satisfied.

**Grant income**

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Association at significantly below its fair value.

Once the asset has been recognised, the Association recognises any related liability amounts (e.g. provisions, financial liabilities).

Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

**Interest**

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

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

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

* 1. **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012.*

1. **Going concern**

The Association is reliant on the continued funding from various funding bodies. The funding contracts have been received and signed.

1. **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.

The board members review the carrying amount of plant and equipment annually to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all property, plant and equipment is depreciated on a straight-line method from the date that management determine that the asset is available for use. Leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

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

|  |  |
| --- | --- |
| **Fixed asset class** | **Depreciation rate** |
| Office furniture and equipment | 20% - 33% |
| Leasehold improvements | 20% |

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

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to the statement of profit or loss and other comprehensive income.

1. **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. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

1. **Summary of Significant Accounting Policies (cont'd)**
2. **Trade Receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

1. **Employee Benefits**

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

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

1. **Summary of Significant Accounting Policies (cont'd)**
   1. **Trade Payables**

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

* 1. **Unexpended Grant**

Grants received that remain unspent at year end are recognised as unexpended grants only when such funds are expected to be spent in future years for the purpose of funded projects in accordance with relevant project agreements.

* 1. **Income Tax**

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

* 1. **Goods and Services Tax (GST)**

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

* 1. **Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions 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.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

1. **Summary of Significant Accounting Policies (cont'd)**

**Financial Assets**

**Classification and subsequent measurement**

Financial assets with the implementation of AASB 9 Financial Instruments for the first time in 2019, the entity classifies its financial assets in the following categories:

i) financial assets at fair value through profit or loss;

ii) financial assets at fair value through other comprehensive income; and

iii) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date. Comparatives have not been restated on initial application.

**Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)**

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test. Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

**Financial Assets at Amortised Cost**

Financial assets included in this category need to meet two criteria: 1. the financial asset is held in order to collect the contractual cash flows; and 2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount. Amortised cost is determined using the effective interest method.

**Effective Interest Method**

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or other financial liabilities. Financial liabilities are recognised and derecognised upon ‘trade date’.

**Financial Liabilities at Amortised Cost**

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

**Impairment of Financial Assets**

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12‐month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

1. **Summary of Significant Accounting Policies (cont'd)**

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Association’s trade and most other receivables fall into this category of financial instruments.

* 1. **Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

* 1. **Adoption of new and revised accounting standards**

The Association has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

1. **Critical accounting estimates and judgments**

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

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

There were no significant estimates and judgements used in the preparation of these financial statements.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2 Revenue and Other Income** | |  |  | | | | **2022** |  |
| Revenue from continuing operations |  |  |  | | | | **2021** |
|  |  |  |  | | | | **$** | **$** |
| Income | |  |  | |  |  | |  |
| * ACT Health | |  |  | |  | 886,918 | | 1,258,257 |
| * Capital Health Network | |  |  | |  | 613,370 | | 73,488 |
| * Investment income | |  |  | |  | 300 | | 399 |
| * COVID Response Grant | |  |  | |  | 336,765 | | - |
| * Other income | |  |  | |  | 51,585 | | 3,600 |
| Total Revenue |  |  |  | | | | **1,888,938** | **1,335,744** |
|  | |  |  | |  |  | |  |  |
| **3 The result for the year includes the following specific expenses** | | |  |  | | |  |  |  |  |
| Employee benefits expense | |  |  |  | | | 1,113,876 | 861,973 |
| Depreciation of property, plant and equipment | |  |  |  | | | 7,967 | 4,336 |  |
|  | |  |  |  | | | **1,121,843** | **866,309** |  |
| **4 Cash and cash equivalents** | |  |  |  | | |  |  |  |
|  | |  |  |  | | |  |  |  |
| Cash at bank | |  |  |  | | | 779**,534** | 774,958 |  |
|  |  |  |  |  | | | **779,534** | **774,958** |
|  |  |  |  |  | | |  | **326,191** |



**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **5 Trade and other receivables** | | | **2022** | **2021** |
|  | CURRENT | |  |  |
|  | Trade Debtors | | 15,803 | 9,720 |
|  |  |  | **15,803** | **9,720** |
| **6** | **Financial assets** | |  |  |
|  |  |
|  | CURRENT | |  |  |
|  | Term deposits | | **13,310** | **13,310** |
| **7** | **Other assets** | |  |  |
|  | CURRENT | | **8,894** |  |
|  | Prepayments | | **14,035** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **8(a) Property, plant and equipment** | | |  | | | |  | |
| Office equipment at cost | | | 31,293 | | | | 18,063 | |
| Accumulated depreciation | | | (14,031) | | | | (6,064) | |
| **Total property, plant and equipment** | | | **17,262** | | | | **11,999** | |
|  | | |  | | | |  | |
|  | | |  | | | |  | |
| **8(b)** | **Right of use asset is the Association’s non-cancellable property lease of the CAHMA office** | |  | | |  | |  | |
|  | **. AASB16 related amounts recognised in the balance sheet:** | |  | | |  | |  | |
|  | Right of use asset lease premises |  | **227,332** | | | | **227,332** | | |
|  | Accumulated depreciation |  | **(125,037)** | | | | **(79,569)** | | |
|  | Total right of use asset |  | **102,295** | | | | **147,763** | | |
|  |  | | |  |  | | |  | |
|  |  | | |  |  | | |  | |
|  | **. AASB 16 related amounts recognized in the statement of profit and losses:** | | |  |  | | |  | |
|  | Depreciation charge relating to right of use asset | | |  | **45,468** | | | **34,101** | |
|  | Interest expenses on lease liabilities | | |  | **7,239** | | | **8,377** | |
|  | Total | | |  | **52,707** | | | **42,478** | |
|  |  | | |  |  | | |  | |

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

|  |  |  |
| --- | --- | --- |
| **9 Trade and other payables** | **2022** | **2021** |
|  |  |  |
| CURRENT |  |  |
| Trade payables | 68,373 | 39,766 |
| Sundry payables and accrued expenses | 10,314 | 54,551 |
| Superannuation and PAYG | 21,645 | 17,296 |
| GST | (3,208) | 6,260 |
|  |  |  |
|  | **97,124** | **117,873** |
|  |  |  |
|  |  |  |
| **10 Employee Benefits** |  |  |
|  |  |  |
| **Current Liabilities** |  |  |
| Long Service Leave | 37,158 | 36,811 |
| Provision for employee benefits | 142,314 | 89,357 |
|  |  |  |
|  | **179,472** | **126,168** |
|  |  |  |
| **11 Other Financial Liabilities** |  |  |
|  |  |  |
| **CURRENT** |  |  |
| Government grants | 87,675 | 184,342 |
|  | **87,675** | **184,342** |

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

1. **Financial Risk Management**

The Board members have overall responsibility for the establishment of CAHMA’s financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk and credit risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and CAHMA’s activities.

The day - to - day risk management is carried out by CAHMA’s finance function under policies and objectives which have been approved by Board members. The Executive Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board members receives monthly reports which provide details of the effectiveness of the processes and policies in place.

CAHMA does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

**Specific financial risk exposures and management**

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

**Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to CAHMA and arises principally from CAHMA's receivables.

CAHMA manages its credit risk by ensuring goods or services are not delivered until payments are received, or by receiving payments in advance for services provided under funding arrangements. Therefore the maximum exposure to credit risk is reduced to only a few transactions per year for minimal amounts. The credit risk associated with these transactions is assessed on a case by case basis by the operations manager.

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

1. **Financial Risk Management (cont'd)**

**Liquidity risk**

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

* preparing forward looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
* preparing a 3 year operating budget and continuously monitoring performance against budgeted milestones;
* maintaining good relationships with funding providers and monitoring compliance with funding agreements;
* only investing surplus cash with major financial institutions; and
* comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, CAHMA ensures that it has sufficient cash on demand to meet expected operational expenses for at least 3 months.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial guarantee liabilities are treated as payable on demand since CAHMA has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

**Key Management Personnel Remuneration**

The totals of remuneration paid to the key management personnel of CAHMA during the year are as follows:

|  |  |  |
| --- | --- | --- |
|  | **2022** | **2021** |
|  | **$** | **$** |
| Short-term employee benefits | **430,362** | **394,126** |
|  | **430,362** | **394,126** |
|  |  |  |

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

1. **Financial Risk Management (cont'd)**

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

*(i) Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The association is not exposed to any significant interest rate risk.

1. **Contingencies**

In the opinion of the Directors, the Association did not have any contingencies at 30 June 2022 (30 June 2021: None).

1. **Events Occurring After the Reporting Date**

The Board are not aware of any significant events since the end of the reporting period with the exception of the possible effect of the Novel Coronavirus (COVID-19) pandemic and the related impact on the Association’s future results of operations, cash flows and financial condition which cannot be reasonably estimated at this stage.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

15. **Leases**

At inception of a contract, the association assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

* The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
* The organisation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use
* The organisation has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.
* The organisation has elected not to separate non-lease components from lease components and has accounted for all leases as a single component.

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

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

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

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

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

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

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

The organisation has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the organisation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

1. **Association Details**

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

CAHMA - Canberra Alliance for Harm Minimisation and Advocacy Incorporated

Shop 17, Level 1,

Belconnen Churches Centre, Cnr Cohen Street & Benjamin Way

Belconnen ACT 2617

**Canberra Alliance for Harm Minimisation and Advocacy Incorporated**

**ABN: 58 857 576 921**

**Responsible Persons’ Declaration**

The responsible persons declare that in the responsible persons’ opinion:

Presents a true and fair view of the financial position of Canberra Alliance for Harm Minimisation and Advocacy Incorporated as at 30 June 2022 and its performance ended on that date.

There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

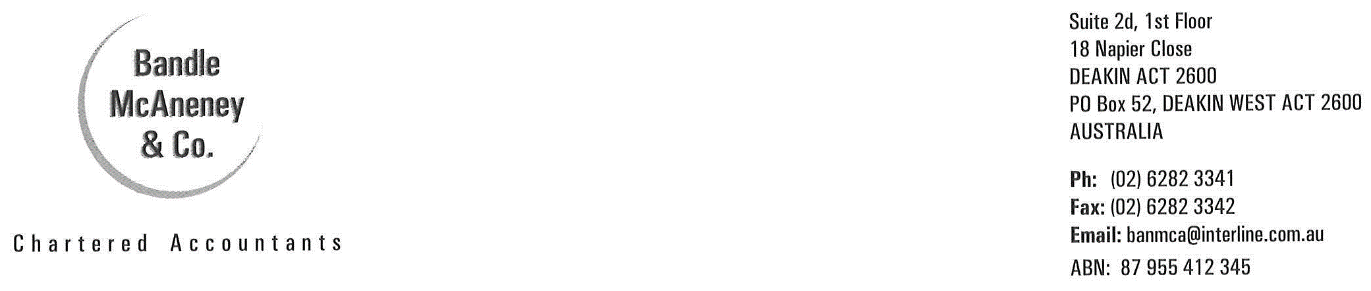
President

Collin Stoddart

Committee Member

Peta Harris

Dated: 2022



**Independent Audit Report to the members of Canberra Alliance for Harm Minimisation and Advocacy (CAHMA)**

**Opinion**

We have audited the financial report of Canberra Alliance for Harm Minimisation and Advocacy (CAHMA) (“the Entity”) which comprises the Statement of Financial Position as at 30 June 2022, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 30 June 2022 and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes and the responsible persons’ declaration.

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

1. giving a true and fair view of the Association’s financial position as at 30 June 2022 and of its financial performance for the year then ended; and
2. complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (“the Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Board’s Responsibilities for the Financial Report.**

The Board is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards-Simplified Disclosures and Australian Charities and Not-for-profits Act 2012 and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

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**Auditor’s Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with 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 Entity’s internal control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
* Conclude on the appropriateness of the management’s 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 Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
* Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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 identity during our audit.

**Bandle McAneney & Co**

**Anthony J Bandle FCA**

**Partner**

**Canberra:**

**Dated this day of 2022**

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