

Conflict Resolution Service Incorporated

ABN: 65 639 472 211

Financial Statements

For the Year Ended 30 June 2023

Conflict Resolution Service Incorporated

ABN: 65 639 472 211

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For the Year Ended 30 June 2023

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Conflict Resolution Service Incorporated

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Committee's Report For the Year Ended 30 June 2023

The Committee members present their report on Conflict Resolution Service Incorporated for the financial year ended 30 June 2023.

General information

Committee Members

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

Names	Position
Mirjana Wilson	Chair (Appointed April 2023)
Narelle Sargent	Deputy Chair (Appointed April 2023)
Yushi Zhang	Treasurer (Appointed November 2022)
Louisa Osborne	Secretary
Genevieve Jacob	Member
Gerard Boundy	Member
Torrien Lau	Member
Clive Rodger	Former Chair (Resigned April 2023)
Matt Casey	Deputy Chair until November 2022
Tom Daly	Member (Resigned November 2022)
Louise Blessington	Member (Resigned November 2022)
Anya Aidman	Member (Resigned November 2022)

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

Principal activities

The principal activities of the Association during the financial year were to provide professional, accessible and effective dispute resolution and training services which help and empower people to prevent, manage and resolve conflicts peacefully.

Significant changes

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

Operating result

The surplus of the Association for the financial year amounted to \$7,245 (2022: \$ 74,498).

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Committee's Report For the Year Ended 30 June 2023

Other items

Events after the reporting date

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

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

Treasurer: 
Yushi Zhang

Dated 4 Sep 2023

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Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Conflict Resolution Service Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and 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.

Hardwickes
Chartered Accountants



Bhaumik Bumia CA
Partner

4 September 2023
Canberra

Conflict Resolution Service Incorporated

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue and other income	4	2,809,444	1,791,364
Administrative expenses		(266,330)	(217,221)
Advertising		(35,080)	(40,271)
Brokerage		(200)	(6,721)
Consultancy		(61,357)	(74,915)
Contractor expenses		(15,168)	(48,179)
Depreciation - right-of-use	11	(105,243)	(67,211)
Depreciation - plant and machinery	9(a)	(32,678)	(105,508)
Employee benefits expense	5	(1,445,234)	(1,058,524)
Finance costs	11	(32,815)	(9,103)
Partnership Payments - Marymead Contract		(760,745)	(50,192)
Subscriptions/Memberships		(45,153)	(39,021)
Other expenses		(2,196)	-
Surplus before income tax		7,245	74,498
Income tax expense	2(b)	-	-
Surplus for the year		7,245	74,498
Fair value movements on investments held at FVOCI		6,129	(11,841)
Other comprehensive income for the year		6,129	(11,841)
Total comprehensive income for the year		13,374	62,657

The accompanying notes form part of these financial statements.

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Statement of Financial Position As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	468,616	426,031
Trade and other receivables	7	24,326	31,241
Other financial assets	8	148,463	190,993
Other assets	10	24,228	13,992
TOTAL CURRENT ASSETS		<u>665,633</u>	<u>662,257</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	137,472	170,150
Right-of-use assets	11	385,287	566,362
TOTAL NON-CURRENT ASSETS		<u>522,759</u>	<u>736,512</u>
TOTAL ASSETS		<u>1,188,392</u>	<u>1,398,769</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	96,137	161,183
Lease liabilities	11	104,218	117,038
Employee benefits	13	63,443	57,209
TOTAL CURRENT LIABILITIES		<u>263,798</u>	<u>335,430</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11	327,560	479,679
TOTAL NON-CURRENT LIABILITIES		<u>327,560</u>	<u>479,679</u>
TOTAL LIABILITIES		<u>591,358</u>	<u>815,109</u>
NET ASSETS		<u>597,034</u>	<u>583,660</u>
EQUITY			
FVOCI Reserves	14(a)	(3,866)	(11,841)
Retained earnings		<u>600,900</u>	<u>595,501</u>
TOTAL EQUITY		<u>597,034</u>	<u>583,660</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Retained Earnings	FVOCI reserve	Total
	\$	\$	\$
Balance at 1 July 2022	595,501	(11,841)	583,660
Surplus for the year	7,245	-	7,245
Loss on sale of investments	(1,846)	1,846	-
Total other comprehensive income for the year	-	6,129	6,129
Balance at 30 June 2023	600,900	(3,866)	597,034

2022

	Retained Earnings	FVOCI reserve	Total
	\$	\$	\$
Balance at 1 July 2021	521,003	-	521,003
Surplus for the year	74,498	-	74,498
Total other comprehensive income for the period	-	(11,841)	(11,841)
Balance at 30 June 2022	595,501	(11,841)	583,660

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,087,746	1,944,836
Payments to suppliers and employees	(2,971,450)	(1,599,044)
Dividends received	6,436	4,465
Interest received	41	44
Net cash provided by operating activities	20 <u>122,773</u>	<u>350,301</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment	48,659	-
Purchase of investments	-	(202,834)
Purchase of plant and equipment	9(a) -	(41,135)
Net cash (used in) investing activities	<u>48,659</u>	<u>(243,969)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal repayments of lease liabilities	<u>(128,847)</u>	<u>(62,837)</u>
Net cash (used in) financing activities	<u>(128,847)</u>	<u>(62,837)</u>
Net increase in cash and cash equivalents held	42,585	43,495
Cash and cash equivalents at beginning of year	<u>426,031</u>	<u>382,536</u>
Cash and cash equivalents at end of financial year	6 <u>468,616</u>	<u>426,031</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2023

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

The functional and presentation currency of Conflict Resolution Service Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

Conflict Resolution Service Incorporated applies Australian Accounting Standards – Simplified Disclosure Requirements as set out in AASB 1060 : Accounting Standards. General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

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 Notforprofits Commission Act 2012*.

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

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

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.

Specific revenue streams

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

Operating grants and donations

When the Company receives operating grant revenue or donations, it assess whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15:

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant;

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams (continued)

- recognises a contract liability of its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations

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

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- if a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Other income

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

(b) Income Tax

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

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

(d) Plant and equipment

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

Plant and equipment

Plant and equipment are measured using the cost model.

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(d) Plant and equipment (continued)

Depreciation

Plant and equipment is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

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

(e) Financial instruments

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

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

Financial assets

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

Classification

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

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

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

Amortised cost

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

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

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income - Equity instruments

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

The Association has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Association has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

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

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

Financial assets through profit or loss

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

The Association does not hold any assets that fall into this category.

Impairment of financial assets

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

- financial assets measured at amortised cost

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

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

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

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

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

Trade receivables

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

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

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

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

(f) Impairment of non-financial assets

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

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

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

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

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

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

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(g) Cash and cash equivalents

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

(h) Leases

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

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

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

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

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

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

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

(i) Employee benefits

Provision is made for the Association's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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

(j) Economic dependence

Conflict Resolution Service Incorporated is dependent on the Federal Government for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Federal Government will not continue to support Conflict Resolution Service Incorporated.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Association where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	30 June 2024	The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.	The amendment is not expected to have a material impact on the financial statements once adopted.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments	30 June 2023	AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.	The impact of the initial application is not yet known.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	30 June 2024	The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).	The impact of the initial application is not yet known.

3 Critical Accounting Estimates and Judgments

Those charged with governance 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.

The significant estimates and judgements made have been described below.

Key estimates - receivables

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

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Notes to the Financial Statements For the Year Ended 30 June 2023

4 Revenue and Other Income

Revenue from continuing operations

	2023	2022
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Service fees: Mediation & Training	85,868	235,155
- Grants	2,692,698	1,493,394
- Members Contributions	4,564	2,336
- Functions	-	2,745
	<u>2,783,130</u>	<u>1,733,630</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- Donations	19,837	38,774
- interest income	41	44
- Dividend received	6,436	4,465
- Other income	-	14,451
	<u>26,314</u>	<u>57,734</u>
Total Revenue	<u>2,809,444</u>	<u>1,791,364</u>

5 Employee benefit expense

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Employee benefits expense		
Salary & wages	1,289,193	952,441
Superannuation contributions	129,677	91,193
Long service leave	20,130	14,735
Leave pay provision charge	6,234	155
Total Employee benefit expense	<u>1,445,234</u>	<u>1,058,524</u>

6 Cash and Cash Equivalents

	2023	2022
Note	\$	\$
WBC Working A/C 34-1398	14,438	949
WBC Cash Reserve A/C 341-140	6,846	2,415
WBC 45-4464	406,304	386,565
PayPal	41,028	36,102
Total Cash and Cash Equivalents	<u>468,616</u>	<u>426,031</u>

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Notes to the Financial Statements For the Year Ended 30 June 2023

7 Trade and Other Receivables

	Note	2023 \$	2022 \$
CURRENT			
Trade receivables	15	8,075	14,990
Deposits		16,251	16,251
Total current trade and other receivables		24,326	31,241

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

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

8 Other Financial Assets

	Note	2023 \$	2022 \$
CURRENT			
Equity securities - at fair value through Other Comprehensive Income		148,463	190,993
Total	15	148,463	190,993

9 Plant and equipment

	2023 \$	2022 \$
Furniture, fixtures and fittings		
At cost	186,428	186,428
Accumulated depreciation	(63,548)	(36,154)
Total furniture, fixtures and fittings	122,880	150,274
Motor vehicles		
At cost	21,135	21,135
Accumulated depreciation	(6,543)	(1,259)
Total motor vehicles	14,592	19,876
Office equipment		
At cost	26,476	26,476
Accumulated depreciation	(26,476)	(26,476)
Total office equipment	-	-
Computer software		
At cost	-	39,000
Accumulated depreciation	-	(39,000)
Total computer software	-	-

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Notes to the Financial Statements For the Year Ended 30 June 2023

9 Plant and equipment (continued)

SACY assets		
At cost	20,000	20,000
Accumulated depreciation	(20,000)	(20,000)
Total SACY assets	-	-
Total plant and equipment	137,472	170,150

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$
Year ended 30 June 2023			
Balance at the beginning of year	150,274	19,876	170,150
Depreciation expense	(27,394)	(5,284)	(32,678)
Balance at the end of the year	122,880	14,592	137,472

10 Other assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	24,228	13,992
Total Other assets	24,228	13,992

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Notes to the Financial Statements For the Year Ended 30 June 2023

11 Leases

Right-of-use assets

	Office Building	Ruby House	Total
	\$	\$	\$
Year ended 30 June 2023			
Balance at beginning of year	322,921	238,120	561,041
Depreciation charge	(104,776)	(70,978)	(175,754)
Balance at end of year	218,145	167,142	385,287
	Buildings	Ruby House	Total
	\$	\$	\$
Year ended 30 June 2022			
Balance at beginning of year	380,753	267,574	648,327
Depreciation charge	(69,101)	(12,864)	(81,965)
Balance at end of year	311,652	254,710	566,362

Lease liabilities

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

	< 1 year	1 - 5 years	> 5 years	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$
2023				
Lease liabilities	104,218	327,560	-	431,778
2022				
Lease liabilities	117,038	440,506	39,173	596,717

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

	2023	2022
	\$	\$
Finance leases	32,815	9,103
Depreciation of right-of-use-assets	105,243	67,211
Total	138,058	76,314

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Notes to the Financial Statements For the Year Ended 30 June 2023

12 Trade and Other Payables

		2023	2022
	Note	\$	\$
CURRENT			
Trade payables	15	3,666	41,399
GST payable		28,494	43,164
Accrued expenses	15	38,028	44,825
Other payables		25,949	31,795
Total Trade and Other Payables		96,137	161,183

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

13 Employee Benefits

		2023	2022
		\$	\$
Current liabilities			
Provision for annual leave		63,443	57,209
		63,443	57,209

14 Reserves

(a) FVOCI reserve

The FVOCI reserve records movements in the fair value and gain or loss on disposal of financial assets designated as FVOCI.

15 Financial Risk Management

		2023	2022
	Note	\$	\$
Financial assets			
Held at amortised cost			
Cash and cash equivalents	6	468,616	426,031
Trade and other receivables	7	8,075	14,990
Fair value through Other Comprehensive Income (OCI)			
Equity securities - at FVTOCI	8	148,463	190,993
Total financial assets		625,154	632,014
Financial liabilities			
Trade and Other Payables	12	41,694	86,224
Total financial liabilities		41,694	86,224

Conflict Resolution Service Incorporated

ABN: 65 639 472 211

Notes to the Financial Statements For the Year Ended 30 June 2023

16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Association is \$ 221,000.

17 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor, for:		
- auditing or reviewing the financial statements	7,604	11,455
Total	7,604	11,455

18 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2023 (30 June 2022:None).

19 Related Parties

Key management personnel - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

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

There are no related party transactions for the year.

Conflict Resolution Service Incorporated

ABN: 65 639 472 211

Notes to the Financial Statements For the Year Ended 30 June 2023

20 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Surplus for the year	7,244	74,498
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	137,921	172,719
- finance cost - lease	32,815	9,103
- lease remeasurement	6,926	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	6,915	(11,295)
- (increase)/decrease in prepayments	(10,236)	(2,801)
- increase/(decrease) in trade and other payables	(65,046)	107,921
- increase/(decrease) in employee benefits	6,234	156
Cashflows from operations	122,773	350,301

21 Statutory Information

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

Conflict Resolution Service Incorporated
1/32-38 Townshend Street
Phillip ACT 2606

Conflict Resolution Service Incorporated

ABN: 65 639 472 211

Responsible Persons' Declaration

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

- 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*.

Responsible person

Yushi Zhang

Dated 4 Sep 2023

Conflict Resolution Service Incorporated

Independent Audit Report to the members of Conflict Resolution Service Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Conflict Resolution Service Incorporated, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Conflict Resolution Service Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) 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 Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Responsible persons for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible persons determine 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 responsible persons are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible persons either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.



Conflict Resolution Service Incorporated

Independent Audit Report to the members of Conflict Resolution Service Incorporated

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

Hardwickes
Chartered Accountants



Bhaumik Bumia CA
Partner

Canberra

4 September 2023