

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
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**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Board's Report**

The Board Members present their report on the financial statements of the Association for the year ended 30 June 2017.

The following persons held office as Board Members during the reporting year and up to the date of signing this report:

David Panter (Chairperson from October 2016)  
Emma-Louise Crosby (Treasurer)  
Helen Connolly (Chairperson to October 2016)  
Matthew Woodward  
Mel Ottaway  
Nicole Chaplin  
Paul Scully (member to June 2017)  
Rosemary Warmington

**PRINCIPAL ACTIVITIES**

SACOSS is the peak body for the non-government health and community services sector in South Australia. As such, SACOSS undertakes the key peak body roles at the highest level and will focus on issues that affect vulnerable and disadvantaged people across the state, or which impact on all health and community services sector organisations.

SACOSS' peak body roles:

- **Representation** – speaking in all matters as the peak body on behalf of the sector.
- **Research, Policy Development, Advice and Advocacy** – giving voice to the interests of vulnerable and disadvantaged people.
- **Information Dissemination to the Sector** – filtering and prioritising government information and regulation to ensure the sector is informed about changes and policies relevant for them.
- **Information Dissemination to the Community** – public education about poverty and disadvantage and/or the role of the sector in community development and supporting vulnerable and disadvantaged people.
- **Sector Development** – primarily through improving the regulatory regime to allow the sector to operate with maximum efficiency in addressing the needs of vulnerable and other disadvantaged people, and through supporting the spreading of innovative ideas and best practices across the sector.

**SIGNIFICANT CHANGES**

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

**OPERATING RESULT**

The surplus or loss for the year is disclosed in the Statement of Profit or Loss and Other Comprehensive Income and includes all sources of income for the year. The surplus from ordinary activities for the year ended 30 June 2017 amounted to \$9,898 (2016: surplus \$64,267).

**AFTER BALANCE DATE EVENTS**

No matters or circumstances have arisen since the end of the financial year, that have significantly affected or may significantly affect:

- (i) the operations of the Association
- (ii) the results of the operation; and
- (iii) the state of affairs of the Association.

**BENEFITS RECEIVED**

In accordance with s.35 (5) of the Associations Incorporation Act, 1985, the Board hereby states that during the 12 months to the 30th June 2017:

(a) No officer of the Association, no firm of which the officer is a member or no body corporate in which an officer has a substantial financial interest, other than specified in part (b), has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association:

b) No officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value other than salaries and wages as a permanent employee.

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



Board Member



Board Member

Dated this 6th day of October 2017

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017**

	Note	2017 \$	2016 \$
Revenue	2	1,480,971	1,581,814
<b>Expenses</b>			
Conference costs		(57,641)	(102,519)
Consultancy fees		(240,944)	(226,478)
Depreciation		(13,784)	(9,410)
Employee benefits expense		(911,013)	(828,969)
Office accommodation		(30,659)	(31,756)
Computers and IT		(12,253)	(10,846)
Printing, postage and stationery		(14,201)	(25,794)
Insurance		(12,528)	(9,073)
Professional services		(32,632)	(119,631)
Reference materials		(14,034)	(11,232)
Travel and accommodation		(98,379)	(125,209)
Equipment		(5,590)	(5,789)
Other		(22,756)	(10,841)
Loss on disposal of property, plant and equipment		(4,659)	-
Total expenses		(1,471,073)	(1,517,547)
<b>Net current year surplus</b>		<b>9,898</b>	<b>64,267</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>\$ 9,898</b>	<b>\$ 64,267</b>

The accompanying notes form part of these financial statements.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Statement of Financial Position as at 30 June 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	744,181	1,222,565
Accounts receivable and other debtors	5	31,937	79,521
Other current assets	6	-	1,339
<b>TOTAL CURRENT ASSETS</b>		<b>776,118</b>	<b>1,303,425</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,758,211	834,702
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,758,211</b>	<b>834,702</b>
<b>TOTAL ASSETS</b>		<b>2,534,329</b>	<b>2,138,127</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	8	89,375	48,326
Employee provisions	9	128,731	77,257
Other liabilities	10	152,715	404,838
<b>TOTAL CURRENT LIABILITIES</b>		<b>370,821</b>	<b>530,421</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	9	24,343	45,938
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>24,343</b>	<b>45,938</b>
<b>TOTAL LIABILITIES</b>		<b>395,164</b>	<b>576,359</b>
<b>NET ASSETS</b>		<b>2,139,165</b>	<b>1,561,768</b>
<b>EQUITY</b>			
Reserves	11	1,626,211	1,058,712
Retained surplus		512,954	503,056
<b>TOTAL EQUITY</b>		<b>2,139,165</b>	<b>1,561,768</b>

The accompanying notes form part of these financial statements.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Statement of Changes in Equity for the year ended 30 June 2017**

	Note	Retained Surplus	Reserves	Total
		\$	\$	\$
Balance at 1 July 2015		438,789	1,058,712	1,497,501
Net surplus for the year		74,119	-	74,119
Prior period adjustment		(9,852)	-	(9,852)
<b>Balance at 30 June 2016</b>		<b>503,056</b>	<b>1,058,712</b>	<b>1,561,768</b>
 Balance at 1 July 2016		 503,056	 1,058,712	 1,561,768
Net surplus for the year		9,898	567,499	577,397
<b>Balance at 30 June 2017</b>		<b>512,954</b>	<b>1,626,211</b>	<b>2,139,165</b>

The accompanying notes form part of these financial statements.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Statement of Cash Flows for the year ended 30 June 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Revenue from operating activities		1,261,058	1,665,341
Donations received		1,371	1,458
Interest received		14,003	16,593
Payments to suppliers and employees		(1,380,363)	(1,495,999)
Net cash provided by operating activities		<u>(103,931)</u>	<u>187,393</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(374,452)	(5,757)
Net cash (used in) investing activities		<u>(374,452)</u>	<u>(5,757)</u>
Net increase in cash held		(478,383)	181,636
Cash and cash equivalents at beginning of financial year		1,222,565	1,040,929
Cash and cash equivalents at end of financial year	4	<u>744,182</u>	<u>1,222,565</u>

The accompanying notes form part of these financial statements.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Notes to the Financial Statements for the year ended 30 June 2017**

**Note 1: Summary of Significant Accounting Policies**

The financial statements were authorised for issue on the 6th of October 2017 by the Board.

**Basis of Preparation**

South Australian Council of Social Service Inc ("SACOSS") applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Act 1985*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an 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.

**Accounting Policies**

**a) Income Tax**

South Australian Council of Social Service Inc is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

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

The association measures some of its assets at fair value on a recurring basis.

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

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

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

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

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**c) Property, Plant and Equipment**

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

**Property – Marjorie Black House**

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction) based on a valuation performed by JLT in June 2017 less accumulated depreciation for buildings. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The property was originally transferred to SACOSS in 2006 at a value of \$600,000. During the year ended 30 June 2017, the building was revalued to \$1,620,000. The revaluation amount of \$567,499 was credited to an asset revaluation reserve.

**Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).



**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Notes to the Financial Statements for the year ended 30 June 2017**

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

**c) Property, Plant and Equipment (cont)**

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life 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.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Electronic Equipment	20%
Furniture & Fittings	7.5%
Motor Vehicles	10%

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 net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

**d) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the 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 transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

**(i) Financial assets at fair value through profit or loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(iv) Available-for-sale investments**

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

**(v) Financial liabilities**

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Notes to the Financial Statements for the year ended 30 June 2017**

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

**d) Financial Instruments (cont)**

**Impairment**

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised when the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**e) Impairment of Assets**

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued 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.

**f) Employee Provisions**

**Short-term employee benefits**

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

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

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

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and other short-term highly liquid investments with original maturities of three months.

**h) Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable for grant income. 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.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Notes to the Financial Statements for the year ended 30 June 2017**

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

**i) Revenue and Other Income**

Non-reciprocal grant revenue is recognised in profit or loss when the association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the association 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 association 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.

Membership fees are recognised as revenue to the extent that they represent fees for the current year. Fees received for subsequent years are recognised as liabilities under Membership Fees in Advance.

Donations and bequests are recognised as revenue when received.

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

**j) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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.

**k) Comparative Figures**

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

**l) Accounts Payable and Other Payables**

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

**m) Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**n) Key Estimates**

**(i) Impairment**

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**o) Key Judgements**

**(i) Employee benefits**

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Notes to the Financial Statements for the year ended 30 June 2017**

**Note 2: Revenue and other income**

	2017 \$	2016 \$
Operating revenue:		
– Grants (DCSI)	407,344	393,265
– Grants (SA Energy Consumer Advocacy)	200,000	200,000
– Grants (Consumer Advocacy and Research)	251,723	139,006
– Grants (Tax Reform)	137,918	115,610
– Grants (Energy Consumer Australia)	144,129	377,088
– Grants (Other)	50,820	117,631
– Memberships	48,547	61,554
	<u>1,240,481</u>	<u>1,404,153</u>
Other revenue:		
– Conference and sponsorship	97,922	59,184
– Research & development	122,546	86,209
– Other	20,022	32,268
	<u>240,490</u>	<u>177,661</u>
Total revenue	<u><u>1,480,971</u></u>	<u><u>1,581,814</u></u>

**Note 3: Key Management Personnel Compensation**

The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:

	2017 \$	2016 \$
Short-term employee benefits	159,801	157,385
Long-term employee benefits	3,060	3,060
	<u>162,861</u>	<u>160,445</u>
Other KMP Transactions		
For details of other transactions KMP, refer to Note 15		

**Note 4: Cash and Cash Equivalents**

	2017 \$	2016 \$
Cash at bank	427,472	627,907
Petty cash	-	140
Term Deposits	316,709	594,518
	<u>744,181</u>	<u>1,222,565</u>

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The effective interest rate on short term deposits was 3.07% (2016: 2.72%). These deposits have an average maturity of 90 days.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Notes to the Financial Statements for the year ended 30 June 2017**

<b>Note 5: Accounts Receivable and other Debtors</b>		<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
CURRENT			
Trade receivables		31,937	79,521
Total current accounts receivable and other debtors	16	<u>31,937</u>	<u>79,521</u>
Financial assets classified as loans and receivables			
Accounts receivable and other debtors			
- Total current	16	<u>31,937</u>	<u>79,521</u>
<b>Note 6: Other Current Assets</b>		<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
CURRENT			
Prepayments		-	1,339
<b>Note 7: Property, Plant and Equipment</b>		<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
Property - Marjorie Black House:			
At fair value		1,620,000	800,000
		<u>1,620,000</u>	<u>800,000</u>
Furniture:			
At cost		137,594	42,676
Accumulated depreciation		<u>(23,052)</u>	<u>(25,623)</u>
		<u>114,542</u>	<u>17,053</u>
Electronic Equipment:			
At cost		28,191	16,082
Accumulated depreciation		<u>(13,217)</u>	<u>(10,028)</u>
		<u>14,974</u>	<u>6,054</u>
Motor Vehicles			
At cost		28,987	28,987
Accumulated depreciation		<u>(20,292)</u>	<u>(17,392)</u>
		<u>8,695</u>	<u>11,595</u>
Total property, plant and equipment		<u>1,758,211</u>	<u>834,702</u>

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Notes to the Financial Statements for the year ended 30 June 2017**

**Note 7: Property, Plant and Equipment (cont)**

**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:

	Property	Furniture	Electronic Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	800,000	17,053	6,054	11,595	834,702
Additions	252,501	109,842	12,110	-	374,453
Revaluation	567,499	-	-	-	567,499
Disposals	-	(4,659)	-	-	(4,659)
Depreciation expense	-	(7,695)	(3,189)	(2,900)	(13,784)
Carrying amount at 30 June 2017	1,620,000	114,541	14,975	8,695	1,758,211

The property located at 47 Kind William Road, Unley, SA was revalued to \$1,620,000 by JLT as at 30 June 2017. The property was valued at market value using the capitalised income, and direct comparison approaches. The capitalised income approach observes market inputs in relation to what similar properties would be able to leased at, and using an effective yield to calculate the value. The method determined a value of \$1,625,000. The direct comparison approach compares similar properties in the area, and the value they were sold for. This method returned a value of \$1,615,000. A mid-range between these two valuations was determined to be the most accurate, valuing the property at \$1,620,000. The gain on revaluation of \$567,499 has been allocated to the asset revaluation reserve.

**Note 8: Accounts Payable and Other Payables**

	Note	2017 \$	2016 \$
CURRENT			
Unsecured liabilities:			
Trade payables		25,616	26,327
PAYG payable		12,934	12,110
Other payables		50,825	9,889
		<u>89,375</u>	<u>48,326</u>

Financial liabilities at amortised cost classified as accounts payable and other payables

a) Accounts payable and other payables:

Total current		<u>89,375</u>	<u>48,326</u>
Financial liabilities as accounts payable and other payables	16	<u>89,375</u>	<u>48,326</u>

**Note 9: Employee Provisions**

	2017 \$	2016 \$
CURRENT		
Provision for annual leave entitlements	70,336	58,725
Provision for long service leave entitlements	58,395	18,532
	<u>128,731</u>	<u>77,257</u>
NON-CURRENT		
Provision for long service leave entitlements	24,343	45,938
	<u>24,343</u>	<u>45,938</u>
Total employee provisions	<u>153,074</u>	<u>123,195</u>

**Analysis of employee provisions – leave entitlements**

Opening balance at 1 July 2016	123,195	93,656
Additional provisions	83,999	68,874
Amounts used	(63,860)	(39,335)
Balance at 30 June 2017	<u>143,334</u>	<u>123,195</u>

**Employee provisions – annual leave entitlements**

The provision for employee benefits represents amounts accrued for annual leave.

Based on past experience, the association expects the full amount of the annual leave balance to be settled within the next 12 months. Further, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Notes to the Financial Statements for the year ended 30 June 2017**

**Note 10: Other Liabilities**

	2017	2016
	\$	\$
CURRENT		
Unsecured liabilities:		
Grants received in advance	152,715	404,838
	<u>152,715</u>	<u>404,838</u>

**Note 11: Reserves**

**Asset Revaluation Reserve**

The asset revaluation reserve records changes in the fair value of property, plant and equipment.

**Analysis of items of other comprehensive income**

	2017	2016
	\$	\$
Opening revaluation reserve	1,058,712	1,058,712
Movement in asset revaluation reserve	567,499	-
Closing revaluation reserve	<u>1,626,211</u>	<u>1,058,712</u>

Bequest - Marjorie Black House

The property was originally transferred to SACOSS in 2006 at a value of \$600,000. Increases in the carrying amount arising on revaluation of land and buildings were credited to the revaluation surplus in other comprehensive income.

**Asset Revaluation Reserve**

The property was revalued to \$1,620,000 as at 30 June 2017. The gain on revaluation reserve was credited to the asset revaluation reserve. Increases in the fair value arising on the revaluation of land and buildings are credited to the asset revaluation reserve. Decreases that offset previous increases of the same asset are recognised against the asset revaluation reserve, all other decreases are recognised in profit or loss.

**Note 12: Capital and Leasing Commitments**

	2017	2016
	\$	\$
Commitments under non-cancellable operating leases are payable as follows:		
- not later than one year	2,614	2,614
- later than one year and not later than five years	2,396	5,009
<b>Total lease expenditure commitments</b>	<u>5,010</u>	<u>7,623</u>

**Note 13: Contingent Liabilities**

There are nil contingent liabilities as at 30 June 2017 (2016 nil).

**Note 14: Events after the reporting period**

The Board is not aware of any significant events since the end of the reporting period.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Notes to the Financial Statements for the year ended 30 June 2017**

**Note 15: Related Party Transactions**

Board Members and KMPs of the association and details of their remuneration are disclosed in note 4. There were no other related party transactions during the year.

**Note 16: Financial Risk Management**

The association's financial instruments consist mainly of deposits with banks, investments in term deposits, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017 \$	2016 \$
<b>Financial assets</b>			
Cash and cash equivalents	4	744,181	1,222,565
Accounts receivable and other debtors	5	31,937	79,521
<b>Total financial assets</b>		<u>776,118</u>	<u>1,302,086</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
– accounts payable and other payables	8	89,375	48,326
<b>Total financial liabilities</b>		<u>89,375</u>	<u>48,326</u>

**Note 17: Association Details**

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

South Australian Council of Social Service  
Marjorie Black House  
47 King William Road  
Unley SA 5061



**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017**  
**Statement by the Members of the Board**

The Board declare that, in their opinion:

- a) There are reasonable grounds to believe the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b) The attached financial statements and notes thereto satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - i) giving a true and fair view of the financial position and performance of the registered entity; and
  - ii) comply with Australian Accounting Standards – Reduced Disclosure Requirements.

Signed in accordance with a resolution of the Board pursuant to Regulation 60-15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

  
A stylized handwritten signature in blue ink, consisting of a large 'S' followed by a cursive 'H' and 'B'.

Board Member

  
A handwritten signature in blue ink that reads 'El Crooby' in a cursive script.

Board Member

Dated this 6th day of October 2017

**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INCORPORATED**

**Opinion**

We have audited the financial report of South Australian Council of Social Service Incorporated ('the entity'), which comprises the statement of financial position as at 30 June 2017, the statement of profit and 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 statement by members of the board.

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

- (i) giving a true and fair view of the entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

**Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards – Reduced Disclosure Requirements. 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 ethical requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Other information**

The Board are responsible for the other information. The other information comprises the information in the Board's Report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INCORPORATED (CONT)**

***Boards' responsibility for the financial report***

The Board of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Board 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 Board are 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.

***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 – Reduced Disclosure Requirements 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 – Reduced Disclosure Requirements, 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 Board.
- Conclude on the appropriateness of the Boards' 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INCORPORATED (CONT)**

***Auditor's responsibility for the audit of the financial report (Cont)***

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 identify during our audit.

*Nexia Edwards Marshall*

Nexia Edwards Marshall  
Chartered Accountants



Damien Pozza  
Partner

Adelaide  
South Australia

6 October 2017

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

In accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the members of South Australian Council of Social Service Incorporated.

As lead audit partner for the audit of the financial statements of South Australian Council of Social Service for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in respect of the audit.

*Nexia Edwards Marshall*

Nexia Edwards Marshall  
Chartered Accountants



Damien Pozza  
Partner

Adelaide  
South Australia

6 October 2017