

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
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## SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC

### Board's Report

The Board Members present their report on the financial statements of the Association for the year ended 30 June 2016.

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

Helen Connolly (Chairperson)  
Emma-Louise Crosby (Treasurer)  
Patsy Kellett to June 2016  
Paul Scully  
Matthew Woodward  
Michael Dawson to October 2015  
Peter Sandeman to October 2015  
Nicole Chaplin co-opted from November 2015  
Beth Davidson-Park co-opted from November 2015 to May 2016  
David Panter co-opted from June 2016  
Mel Ottway co-opted from August 2016

#### 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 2016 amounted to \$74,119 (2015: surplus \$78,767).

#### 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.

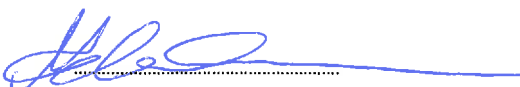
#### BENEFITS RECEIVED

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 2016

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 21 day of OCTOBER 2016

# SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC

Financial report for the year ended 30 June 2016

## Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	3	1,581,814	1,243,220
<b>Expenses</b>			
Conference costs		(102,519)	(55,120)
Consultancy fees		(226,478)	(178,367)
Depreciation		(9,410)	(27,712)
Employee benefits expense		(819,117)	(658,055)
Office accommodation		(31,756)	(38,036)
Computers and IT		(10,846)	(21,645)
Printing, postage and stationary		(25,794)	(17,538)
Insurance		(9,073)	(13,273)
Professional services		(119,631)	(38,087)
Reference materials		(11,232)	(10,140)
Travel and accommodation		(125,209)	(89,929)
Equipment		(5,789)	(6,536)
Other		(10,841)	(10,015)
<b>Total expenses</b>		<b>(1,507,695)</b>	<b>(1,164,453)</b>
<b>Net current year surplus</b>		<b>74,119</b>	<b>78,767</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>\$ 74,119</b>	<b>\$ 78,767</b>

The accompanying notes form part of these financial statements.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
Statement of Financial Position as at 30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,222,565	1,040,929
Accounts receivable and other debtors	6	79,521	31,346
Other current assets	7	1,339	9,997
<b>TOTAL CURRENT ASSETS</b>		<b>1,303,425</b>	<b>1,082,272</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	834,702	838,355
<b>TOTAL NON-CURRENT ASSETS</b>		<b>834,702</b>	<b>838,355</b>
<b>TOTAL ASSETS</b>		<b>2,138,127</b>	<b>1,920,627</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	9	38,474	74,388
Employee provisions	10	77,257	69,950
Other liabilities	11	404,838	255,082
<b>TOTAL CURRENT LIABILITIES</b>		<b>520,569</b>	<b>399,420</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	10	45,938	23,706
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>45,938</b>	<b>23,706</b>
<b>TOTAL LIABILITIES</b>		<b>566,507</b>	<b>423,126</b>
<b>NET ASSETS</b>		<b>1,571,620</b>	<b>1,497,501</b>
<b>EQUITY</b>			
Reserves	12	1,058,712	1,058,712
Retained surplus		512,908	438,789
<b>TOTAL EQUITY</b>		<b>1,571,620</b>	<b>1,497,501</b>

The accompanying notes form part of these financial statements.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
Statement of Changes in Equity for the year ended 30 June 2016

	Note	Retained Surplus	Reserves	Total
		\$	\$	\$
Balance at 1 July 2014		360,022	1,058,712	1,418,734
Net surplus for the year		78,767	-	78,767
Balance at 30 June 2015		438,789	1,058,712	1,497,501
Balance at 1 July 2015		438,789	1,058,712	1,497,501
Net surplus for the year		74,119	-	74,119
Balance at 30 June 2016		512,908	1,058,712	1,571,620

The accompanying notes form part of these financial statements.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
Statement of Cash Flows for the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Revenue from operating activities		1,665,341	1,288,685
Donations received		1,458	712
Interest received		16,593	16,022
Payments to suppliers and employees		(1,495,999)	(1,095,725)
Net cash provided by operating activities		<u>187,393</u>	<u>209,694</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(5,757)	(11,391)
Net cash (used in) investing activities		<u>(5,757)</u>	<u>(11,391)</u>
Net increase in cash held		181,636	198,303
Cash and cash equivalents at beginning of financial year		1,040,929	842,626
Cash and cash equivalents at end of financial year	5	<u>1,222,565</u>	<u>1,040,929</u>

The accompanying notes form part of these financial statements.

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
**Notes to the Financial Statements for the year ended 30 June 2016**

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

The financial statements were authorised for issue on the                      of                      2016 by the Board.

**Basis of Preparation**

South Australian Council of Social Service Inc 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 shown at their fair value based on a Board Valuation which is based on the Valuer General's latest valuation of the property.

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 are credited to a revaluation surplus in other comprehensive income.

Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in other comprehensive income; 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.

**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**  
Notes to the Financial Statements for the year ended 30 June 2016

**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:

Class of Fixed Asset	Depreciation Rate
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**  
Notes to the Financial Statements for the year ended 30 June 2016

**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**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**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**  
Notes to the Financial Statements for the year ended 30 June 2016

**Note 2: Transition to Australian Accounting Standards - Reduced Disclosure Requirements**

**Effects of transition to Australian Accounting Standards - Reduced Disclosure Requirements**

The Association elected to change its reporting framework for the financial year ending 30 June 2016 from preparing special purpose financial statements to preparing general purpose financial statements in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The Association previously recognised a Provision for Staff Redundancies and a Provision for Building Repairs. These provisions do not meet the recognition criteria under AASB 137 and therefore appropriate adjustments have been applied retrospectively from 1 July 2014 to ensure compliance with the Standard.

The table below provides a summary of the amounts of the adjustments for each financial statement line item affected by the first time adoption of Australian Accounting Standards - Reduced Disclosure Requirements for the annual reporting period ending 30 June 2016, as well as the comparative periods ending 30 June 2015 and 30 June 2014.

	Note	Previously Special Purpose Framework	Effect of Transition to Australian Accounting Standards - RDR	Restated
<b>2016</b>		\$	\$	\$
<b>Statement of Profit or Loss and Other Comprehensive Income</b>				
Employee benefits expense	a	812,137	6,980	819,117
Office accommodation	a	63,383	(31,627)	31,756
Net current year surplus		49,472	24,647	74,119
<b>Statement of Financial Position</b>				
<b>CURRENT LIABILITIES</b>				
Provision for staff redundancies	a	(6,980)	6,980	-
Provision for building repairs	a	31,627	(31,627)	-
<b>EQUITY</b>				
Retained surplus		488,261	24,647	512,908
<b>2015</b>		\$	\$	\$
<b>Statement of Profit or Loss and Other Comprehensive Income</b>				
Employee benefits expense	a	667,450	(9,395)	658,055
Office accommodation	a	71,826	(33,791)	38,035
Net current year surplus		35,578	43,186	78,764
<b>Statement of Financial Position</b>				
<b>CURRENT LIABILITIES</b>				
Provision for staff redundancies	a	56,707	(56,707)	-
Provision for building repairs	a	140,335	(140,335)	-
<b>EQUITY</b>				
Retained surplus		241,745	197,042	438,787
<b>1 July 2014</b>		\$	\$	\$
<b>Statement of Financial Position</b>				
<b>CURRENT LIABILITIES</b>				
Provision for staff redundancies	a	47,312	(47,312)	-
Provision for building repairs	a	106,544	(106,544)	-
<b>EQUITY</b>				
Retained surplus		206,167	153,856	360,023

a Reversal of Provisions that did not meet the recognition criteria as required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

**Note 3: Revenue and other income**

	2016 \$	2015 \$
Operating revenue:		
– Grants (DCSI)	393,265	376,907
– Grants (SA Energy Consumer Advocacy)	200,000	320,283
– Grants (Consumer Advocacy and Research)	139,006	-
– Grants (Tax Reform)	115,610	-
– Grants (Energy Consumer Australia)	377,088	227,766
– Grants (Other)	117,631	79,431
– Memberships	61,554	64,636
	<u>1,404,153</u>	<u>1,069,023</u>
Other revenue:		
– Conference and sponsorship	59,184	87,492
– Research & development	86,209	51,677
– Other	32,268	35,028
	<u>177,661</u>	<u>174,197</u>
Total revenue	<u>1,581,814</u>	<u>1,243,220</u>

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
Notes to the Financial Statements for the year ended 30 June 2016

**Note 4: Key Management Personnel Compensation**

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

	2016 \$	2015 \$
Short-term employee benefits	157,385	153,639
Long-term employee benefits	3,060	2,887
	<u>160,445</u>	<u>156,526</u>

Other KMP Transactions

For details of other transactions KMP, refer to Note 16

**Note 5: Cash and Cash Equivalents**

	2016 \$	2015 \$
Cash at bank	627,907	462,220
Petty cash	140	140
Term Deposits	594,518	578,569
	<u>1,222,565</u>	<u>1,040,929</u>

The effective interest rate on short term deposits was 2.72% (2015: 2.96%). These deposits have an average maturity of 90 days.

**Note 6: Accounts Receivable and other Debtors**

	2016 \$	2015 \$
<b>CURRENT</b>		
Trade receivables	79,521	31,346
Total current accounts receivable and other debtors	<u>79,521</u>	<u>31,346</u>
Financial assets classified as loans and receivables		
Accounts receivable and other debtors		
- Total current	<u>79,521</u>	<u>31,346</u>

**Note 7: Other Current Assets**

	2016 \$	2015 \$
<b>CURRENT</b>		
Prepayments	1,339	9,997

**Note 8: Property, Plant and Equipment**

	2016 \$	2015 \$
<b>Property - Marjorie Black House:</b>		
At fair value	800,000	800,000
	<u>800,000</u>	<u>800,000</u>
<b>Furniture:</b>		
At cost	42,676	41,644
Accumulated depreciation	(25,623)	(21,037)
	<u>17,053</u>	<u>20,607</u>
<b>Electronic Equipment:</b>		
At cost	16,082	41,826
Accumulated depreciation	(10,028)	(38,571)
	<u>6,054</u>	<u>3,255</u>
<b>Motor Vehicles</b>		
At cost	28,987	28,987
Accumulated depreciation	(17,392)	(14,494)
	<u>11,595</u>	<u>14,493</u>
<b>Total property, plant and equipment</b>	<u>834,702</u>	<u>838,355</u>

**SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**  
Notes to the Financial Statements for the year ended 30 June 2016

**Note 8: 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 2015	800,000	20,607	3,255	14,493	838,355
Additions	-	-	5,755	-	5,755
Disposals	-	-	-	-	-
Depreciation expense	-	(3,554)	(2,956)	(2,898)	(9,408)
Carrying amount at 30 June 2016	800,000	17,053	6,054	11,595	834,702

**Note 9: Accounts Payable and Other Payables**

	Note	2016 \$	2015 \$
<b>CURRENT</b>			
Unsecured liabilities:			
Trade payables		26,327	27,868
Conference funds in advance		-	31,050
PAYG payable		12,110	15,470
Other payables		37	-
		<u>38,474</u>	<u>74,388</u>

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

**a) Accounts payable and other payables:**

Total current		38,474	74,388
Less: Conference funds in advance		-	(31,050)
Financial liabilities as accounts payable and other payables	17	<u>38,474</u>	<u>43,338</u>

**Note 10: Employee Provisions**

	2016 \$	2015 \$
<b>CURRENT</b>		
Provision for annual leave entitlements	58,725	53,938
Provision for long service leave entitlements	18,532	16,012
	<u>77,257</u>	<u>69,950</u>
<b>NON-CURRENT</b>		
Provision for long service leave entitlements	45,938	23,706
	<u>45,938</u>	<u>23,706</u>
Total employee provisions	<u>123,195</u>	<u>93,656</u>

**Analysis of employee provisions – leave entitlements**

Opening balance at 1 July 2015	93,656	90,433
Additional provisions	68,875	53,876
Amounts used	(39,335)	(50,653)
Balance at 30 June 2016	<u>123,195</u>	<u>93,656</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**  
Notes to the Financial Statements for the year ended 30 June 2016

**Note 11: Other Liabilities**

	2016	2015
	\$	\$
CURRENT		
Unsecured liabilities:		
Grants received in advance	404,838	255,082
	<u>404,838</u>	<u>255,082</u>

**Note 12: Reserves**

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 are credited to the revaluation surplus in other comprehensive income. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in other comprehensive income; all other decreases are recognised in profit or loss.

**Note 13: Capital and Leasing Commitments**

	2016	2015
	\$	\$
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	5,009	7,623
<b>Total lease expenditure commitments</b>	<u>5,009</u>	<u>7,623</u>

**Note 14: Contingent Liabilities**

There are nil contingent liabilities as at 30 June 2016 (2015 nil).

**Note 15: Events after the reporting period**

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

**Note 16: 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 17: 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	2016	2015
		\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	4	1,222,565	1,040,929
Accounts receivable and other debtors	5	79,521	31,346
<b>Total financial assets</b>		<u>1,302,086</u>	<u>1,072,275</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
– accounts payable and other payables	8	38,474	43,338
<b>Total financial liabilities</b>		<u>38,474</u>	<u>43,338</u>

**Note 18: Association Details**

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

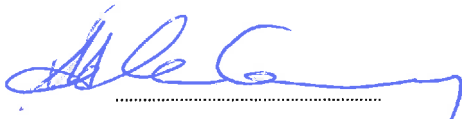
South Australian Council of Social Service  
Marjorie Black House  
47 King William Road  
Unley SA 5061

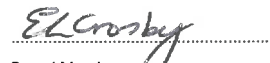
SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC  
Statement by the Members of the Board

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*.

  
.....  
Board Member

  
.....  
Board Member

Dated this 26 day of OCTOBER 2016



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH AUSTRALIAN COUNCIL OF SOCIAL SERVICE INC**

### **Report on the Financial Report**

We have audited the accompanying financial report of the South Australian Council of Social Service Inc ('the entity'), which comprises the Statement of Financial Position as at 30 June 2016 and the Statement of Profit and Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Members of the Board.

### ***Board's Responsibility for the Financial Report***

The Board Members 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 Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

***Opinion***

In our opinion, the financial report of the South Australian Council of Social Service Inc is 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 entity's financial position as at 30 June 2016 and of its performance for the year then ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

*Nexia Edwards Marshall*

Nexia Edwards Marshall  
Chartered Accountants



Damien Pozza  
Partner

Adelaide  
South Australia

26 October 2016

**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 Board Members of the South Australian Council of Social Service Inc.

As lead audit partner for the audit of the financial statements of South Australian Council of the Social Service Inc for the year ended 30 June 2016, 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  
Chartered Accountants



Damien Pozza  
Partner

26 October 2016