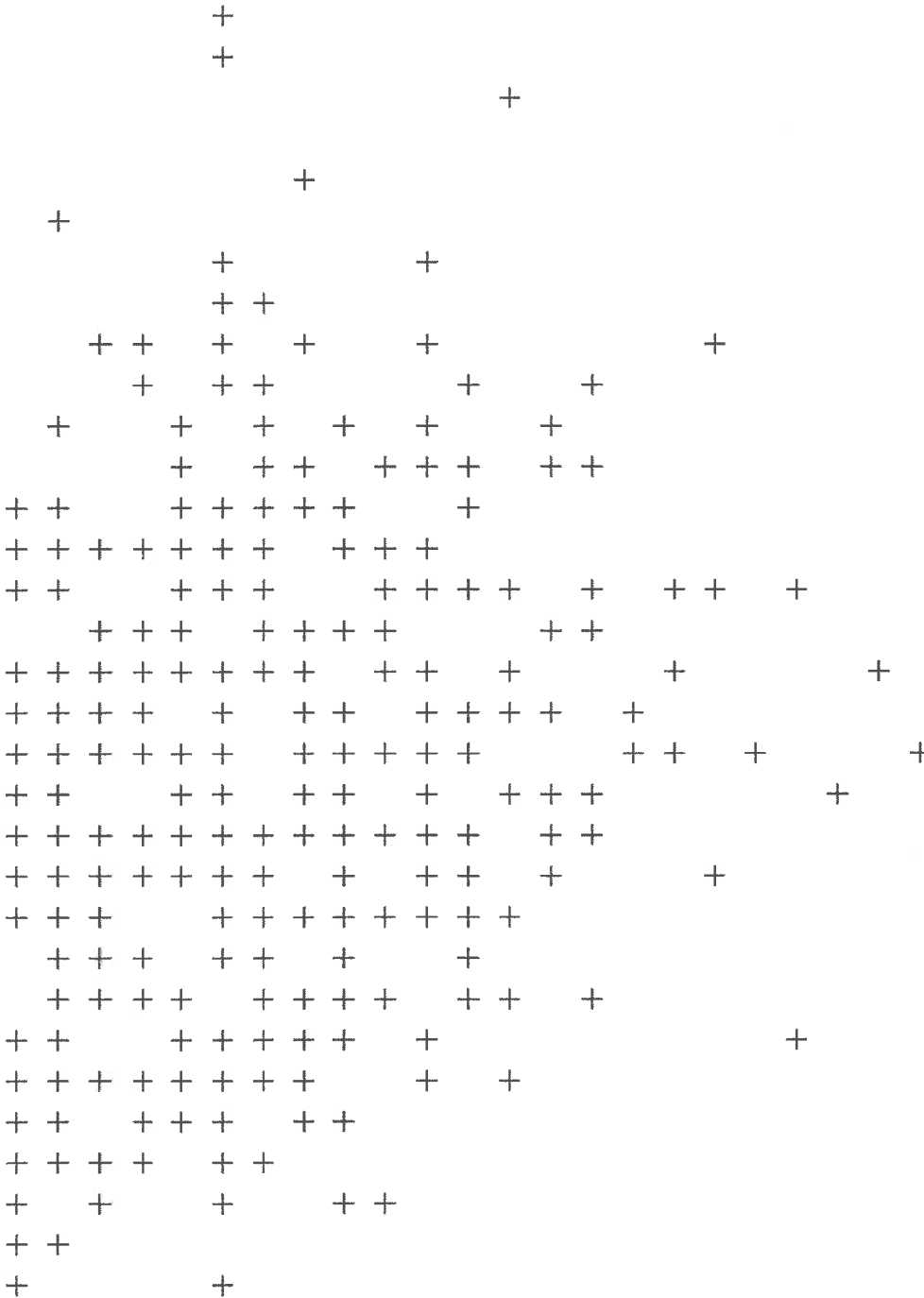


**VICTORIAN COUNCIL OF SOCIAL
SERVICE**

ABN: 25 005 014 988

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**



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Victorian Council of Social Service

ABN: 23 005 014 988

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For the Year Ended 30 June 2017

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Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2017

The directors present their report on Victorian Council of Social Service for the financial year ended 30 June 2017.

Directors

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

Names	Position	Appointed / Resigned
Stella Avramopoulos	President, Member of the Finance, Audit and Risk Committee	
Kim Koop	Vice President (until 28/11/2016)	Resigned December 2016
Simon Trivett	Treasurer, Chair of the Finance, Audit and Risk Committee	
David Brant		
Jason Davies-Kildea		
Bridget Gardner		
Prof David Hayward		
Tony Keenan		
Tony Lang		
Kim Sykes	Vice President (from 30/11/16), Member of the Finance, Audit and Risk Committee (from 28/4/17)	
Lyn Morgain		Appointed 21 November 2016
Caroline Mulcahy		Appointed 21 November 2016

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

Principal objectives

Victorian Council of Social Service (VCOSS) is the peak body of the social and community services sector in Victoria. We pursue just and fair social outcomes through policy development and public and private advocacy. The principal objectives of the company are to:

1. Work towards the reduction and eventual elimination of social and economic disadvantage in Victoria;
2. Promote co-operation between organisations and individuals involved in the field of social and community services in Victoria; and
3. Work towards a united Australia that respects this land of ours, values the Aboriginal and Torres Strait Islander heritage and provides justice and equity for all.

VCOSS Strategic Plan

The Board of Directors, in consultation with the Chief Executive Officer (CEO), Deputy CEO and informed by the Management Team, key stakeholders and the membership developed a four-year Strategic Plan (2015-18) to achieve the vision and long-term objectives of the organisation. The Strategic Plan articulates the organisation's three strategic goals:

1. A fair and just Victorian community
2. A thriving community sector
3. A healthy organisation.

Directors' Report

30 June 2017

VCOSS Strategic Plan

The strategic directions provide the CEO and the management team with an effective platform to formulate measurable targets and key performance indicators (KPIs) for the management team and staff to guide and achieve the policy, advocacy and business development activities of the organisation.

Each year, the CEO and the management team implement an annual operational plan to articulate the policy, advocacy and business development strategies and actions. The operational plan is monitored and reported to the Board of Directors through the monthly CEO report and more broadly to key stakeholders and members in the annual report. The CEO and annual report outlines the operational activities that will contribute to and/or culminate in the achievement of the organisations long-term objectives.

In the 2016/2017 financial year the organisation reported its achievements against the three strategic directions:

1. A fair and just Victorian community

Objectives:

VCOSS advances social justice issues and solutions to pursue social change

VCOSS gives voice to the direct experiences of people affected by poverty and inequality

VCOSS works with members to amplify the stories they have to tell

Achievements:

- Major media impact through television, radio and print. Unprecedented levels of unsolicited requests for media comment
- Publication of major reports including *A growing industry: A snapshot of Victoria's community sector charities*, *Power struggles: everyday battles to stay connected* and *Building resilient communities: Working with the community sector to enhance emergency management*
- Multiple submissions to government inquires and consultations across NDIS/disability, family violence, energy, housing and homelessness, children and families, emergency management, youth justice, education and infrastructure
- Significant impact in ensuring the Essential Services Commission reversed its decision to implement policies that would disadvantage vulnerable Victorians
- Commenced redevelopment of VCOSS website
- Sought and achieved pro-active opportunities with our members to tell the story of people with lived experience in communications vehicles (blogs, media, publications, policy submissions)

Directors' Report

30 June 2017

VCOSS Strategic Plan

2. A thriving community sector

Objectives:

VCOSS facilitates collaboration, knowledge, resources and information exchange to support organisations' capability and development

VCOSS works with the community sector to foster community building approaches and solutions that can tackle and prevent disadvantage in community

VCOSS pursues a regulatory, funding, and workforce environment that sustains a strong, innovative and independent community sector

Achievements:

- Governance and Financial Health Check Project
- Commenced partnership with ACOSS for the 2017 ACOSS/VCOSS National Conference in October 2017
- Human Services and Health Implementation Partnership Committee (HSHPIC) Industry Planning Symposium and funding for a 10 year Community Services Industry Plan
- In partnership with Bank Australia, VCOSS hosted a CEO and Presidents forum on the "workforce of the future" in October 2016
- The Disability Advocacy Resource Unit held its highly regarded Strengthening Disability Advocacy Conference in early September 2016

3. A healthy organisation:

Objectives:

VCOSS has strong governance structures

VCOSS remains financially sustainable and has the necessary resources available to operate as a peak body now and into the future

VCOSS' organisational culture emphasises inclusion, participation and environmental responsibility

Achievements:

VCOSS operates effectively in a fiscally responsible, ethical, efficient and sustainable manner, and exemplifies best practice standards.

- Delivered healthy financial surplus and tight fiscal control of the organisation
- Increased membership including large members
- Risk management strategy updated and strong controls for managing risk

Directors' Report

30 June 2017

VCOSS Strategic Plan

- Finalisation of the suite of Human Resources Policies and Procedures

To further support the CEO in the monitoring and delivery of the organisations business development objectives, the Board of Directors have established the Finance, Audit and Risk Committee.

The aim of the Finance, Audit and Risk Committee is to promote a risk and compliance culture across the organisation. The Committee provides an efficient mechanism for focusing the organisation on verifying and safeguarding the integrity of the organisation's financial and risk reporting and management.

Members' guarantee

Victorian Council of Social Service is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20 subject to the provisions of the company's constitution.

At 30 June 2017 the collective liability of members was \$ 6,500 (2016: \$ 6,280).

Company secretary

Emma King held the position of Company Secretary at the end of the financial year.

Meetings of directors

During the financial year, 17 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Stella Avramopoulos	8	7	9	8
Kim Koop	4	3	-	-
Simon Trivett	8	8	9	9
David Brant	8	8	-	-
Jason Davies-Kildea	8	8	-	-
Bridget Gardner	8	7	-	-
Prof David Hayward	8	7	-	-
Tony Keenan	8	6	-	-
Tony Lang	8	7	-	-
Kim Sykes	8	8	3	3
Lyn Morgain	5	4	-	-
Caroline Mulcahy	5	4	-	-

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2017

Information on directors

Stella Avramopoulos

Qualifications

MBA, BA (Criminology)

Experience

Board member 2011. Chief Executive Officer of Kildonan UnitingCare. 21 years' experience in the welfare, community services and government sectors including: corrections, financial and energy inclusion, youth and families services, corporate and social enterprise partnerships.

Special Responsibilities

President, Member of the Finance, Audit and Risk Committee

Kim Koop

Qualifications

Master Business Leadership, B.App Sc. Occupational Therapy

Experience

Board member since 2011. Chief Executive Officer of the Psychiatric Disability Services of Victoria (VICSERV). Over 35 years' experience in direct delivery and management of mental health, aged care and disability services and a founding member of Community Mental Health Australia (CMHA).

Special Responsibilities

Vice President, Member of the Finance, Audit and Risk Committee

Simon Trivett

Qualifications

MBA (Exec), B Ec.

Experience

Board member since 2013. Partner Audit & Assurance and Head of Consumer Products & Retail at Grant Thornton. Simon is a registered company auditor and member of Chartered Accountants Australia and New Zealand.

Special Responsibilities

Treasurer, Chair of the Finance, Audit and Risk Committee

David Brant

Experience

Board member since 2006. David Brant is an Individual Director. He works as a lobbyist and project manages campaigns for community sector organisations. David works at representing the interest of small VCOSS member orgs. Other Boards representation includes: COTA Vic Policy Council, Yarra Disability Advisory Council.

Jason Davies-Kildea

Experience

Board member since 2014. Manager, The Salvation Army, Victoria Social Programme and Policy Unit. Over 20 years in Victorian social services from frontline programs through to senior management roles. For 6 years, he held responsibility for The Salvation Army's extensive suite of social programs in the inner urban, northern & western suburbs of Melbourne. Master of Social Science (Policy & Human Services).

Bridget Gardner

Experience

Board member since 2015. CEO of Neighbourhood Houses Victoria. Over 25 years' experience in the community sector, international development and emergency management.

Prof David Hayward

Qualifications

BA, GradDipUrbSoc, Dip Management, PhD

Experience

Board member since 2015. Dean of the School of Global, Urban and Social Studies at RMIT University. He has over 30 years' experience in the tertiary, health and community sector.

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2017

Information on directors

Tony Keenan

Qualifications

Experience

EMPA, BA

Board members since 2013. Chief Executive Office of Launch Housing from since 2006 (previously Hanover Welfare Services). He has served in many community and policy advisory roles. Tony is a graduate of the Executive Masters in Public Administration from the Australian New Zealand School of Government (ANZOG) and was awarded a Harkness Fellowship in Public Policy to the University of California, San Francisco.

Tony Lang

Qualifications

Experience

BA (Hons), LLB

Board member since 1998. Barrister, long-standing practice advising not-for-profit organisations. Appointed as an inaugural member of the Advisory Board for the Australian Charities and Not-for-profits Commission.

Kim Sykes

Qualifications

Experience

Vice President (from 30/11/16), Member of the Finance, Audit and Risk Committee (from 28/4/17)

MBA, EAICD, Psychiatric nursing qualifications

Board member since 2012. Chief Executive Officer of Bendigo Community Health Services. Extensive experience within health and community services and government and policy positions.

Lyn Morgain

Qualifications

Experience

Graduate of the AICD

Board member since 2016. Lyn is the Chief Executive of cohealth and has been an executive leader in public policy, not for profit organisations and government over the past twenty five years, holding community well being, planning, governance and community service portfolios. As part of the leadership of cohealth she is responsible for supporting the delivery of a diverse range of complex social and clinical service models that engage communities with poor health status, utilising a social model of health.

Caroline Mulcahy

Experience

Board member since 2016. Caroline has a health background, with experience in clinical care, operational and strategic planning and senior management roles in the UK, Hong Kong and Australia. She has a Masters degree in Health Sciences, majoring in Research Methods and is passionate about enquiry and evidence-based practices.

In recent years, Caroline has concentrated on reviewing, designing and planning services, and has led organisations through substantial change. She is able to take a helicopter view of an organisation's culture, systems and processes and transform these to benefit those they serve. Caroline has established new models of effective governance, and has been instrumental in building robust and effective business models that also facilitate compassionate and sensitive treatment of clients.

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report


30 June 2017

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, for the year ended 30 June 2017 has been received and can be found on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

President: 
Stella Avramopoulos

Treasurer: 
Simon Trivett

Dated 22 September 2017

Victorian Council of Social Service

ABN: 23 005 014 988

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Victorian Council of Social Service

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



ACCRU MELBOURNE (AUDIT) PTY LTD
Chartered Accountants



G D WINNETT
Director

22 September 2017

Victorian Council of Social Service

ABN: 23 005 014 988

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue - operating activities	2	2,812,520	2,529,779
Employee benefits expense		(1,116,162)	(1,012,920)
Occupancy expenses		(214,334)	(200,020)
Publication expenses		(19,156)	(23,918)
Investment expenses		(2,555)	(2,578)
Other operating and administration expenses		(230,965)	(252,813)
Project expenses		(1,099,793)	(1,019,916)
Surplus from operating activities		129,555	17,614
Interest income - bequest	2	9,006	8,861
Surplus for the year		138,561	26,475
Other comprehensive income for the year		-	-
Total comprehensive income for the year		138,561	26,475

The accompanying notes form part of these financial statements.

Victorian Council of Social Service

ABN: 23 005 014 988

Statement of Financial Position As At 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,481,176	1,884,444
Trade and other receivables	5	135,790	171,787
Other assets	9	8,034	24,104
Non-current assets held for sale	6	210,381	-
TOTAL CURRENT ASSETS		2,835,381	2,080,335
NON-CURRENT ASSETS			
Property, plant and equipment	7	29,858	44,585
Investment property	8	-	216,056
TOTAL NON-CURRENT ASSETS		29,858	260,641
TOTAL ASSETS		2,865,239	2,340,976
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	227,307	204,142
Short-term provisions	11	7,426	22,275
Employee benefits	13	280,926	352,046
Other liabilities	12	1,237,927	757,597
TOTAL CURRENT LIABILITIES		1,753,586	1,336,060
NON-CURRENT LIABILITIES			
Employee benefits	13	59,111	80,182
Long-term provisions	11	85,355	96,108
TOTAL NON-CURRENT LIABILITIES		144,466	176,290
TOTAL LIABILITIES		1,898,052	1,512,350
NET ASSETS		967,187	828,626
EQUITY			
Reserves	14	346,848	337,842
Retained earnings		620,339	490,784
TOTAL EQUITY		967,187	828,626

The accompanying notes form part of these financial statements.

Victorian Council of Social Service

ABN: 23 005 014 988

Statement of Changes in Equity For the Year Ended 30 June 2017

2017

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2016	490,784	337,842	828,626
Surplus for the year	138,561	-	138,561
Transfer of bequest income to reserve	(9,006)	9,006	-
Balance at 30 June 2017	620,339	346,848	967,187

2016

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2015	473,170	328,981	802,151
Surplus for the year	26,475	-	26,475
Transfer of bequest income to reserve	(8,861)	8,861	-
Balance at 30 June 2016	490,784	337,842	828,626

The accompanying notes form part of these financial statements.

Victorian Council of Social Service

ABN: 23 005 014 988

Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from government grants and community services	3,612,037	2,732,689
Payments to suppliers and employees	(3,054,090)	(2,790,045)
Interest received	43,994	34,525
Interest received related to bequest reserve	9,006	8,861
Net cash provided by/(used in) operating activities	<u>610,947</u>	<u>(13,970)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	<u>(14,215)</u>	<u>(23,116)</u>
Net cash used by investing activities	<u>(14,215)</u>	<u>(23,116)</u>
Net increase/(decrease) in cash and cash equivalents held	596,732	(37,086)
Cash and cash equivalents at beginning of year	<u>1,884,444</u>	<u>1,921,530</u>
Cash and cash equivalents at end of financial year	4 <u>2,481,176</u>	<u>1,884,444</u>

The accompanying notes form part of these financial statements.

Victorian Council of Social Service

ABN: 23 005 014 988

Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial report covers Victorian Council of Social Service as an individual entity. Victorian Council of Social Service is a not-for-profit Company, registered and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

Basis of Preparation

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

1 Summary of Significant Accounting Policies

(a) Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

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

Project revenue has been recognised on the basis of actual expenditure incurred together with a percentage of any salary and overhead recoveries using the percentage of completion.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as income in advance in the statement of financial position.

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

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

(b) Income Tax

The company is exempt from income tax in accordance with endorsement by the Australian Taxation Office under Division 50 Subdivision 50-B of the *Income Tax Assessment Act 1997*.

(c) Cash and cash equivalents

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

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Plant and Equipment	10% - 33%

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

(e) Investment property

Investment property is held at cost which includes expenditure that is directly attributable to the acquisition of the investment property. The investment properties are depreciated on a straight line basis over 50 years.

(f) Impairment of non-financial assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

(g) Employee benefits

Short-term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related services, 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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(g) Employee benefits

Other Long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the service. Provision is made for the entity's obligation for other long-term employee benefits, which 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 referenced to market yields at the end of the reporting period on high quality government bonds that have maturity dates that approximate the term of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss.

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

(i) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(j) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

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

(k) Adoption of new and revised accounting standards

The company has adopted all standards which became effective for the first time at 30 June 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the company.

Victorian Council of Social Service

ABN: 23 005 014 988

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Revenue

	2017	2016
	\$	\$
Operating revenue		
- Member subscriptions	421,183	418,963
- Interest income	43,994	41,361
- Rent revenue	65,879	65,255
- Government operational funding	724,283	694,238
- Project revenue	1,525,178	1,292,224
- Other revenue from services	32,003	17,738
Total operating revenue	2,812,520	2,529,779
Bequest revenue		
- Interest income - bequest	9,006	8,861
Total Revenue	2,821,526	2,538,640

3 Result for the Year

The result for the year includes the following specific expenses:

Employment expenses		
Core operational management	1,116,162	1,012,920
Project employment expenses	788,293	815,531
Total employment expenses	1,904,455	1,828,451
Depreciation of property, plant and equipment		
Investment Property	5,675	5,675
Plant and Equipment	28,942	23,606
Total depreciation	34,617	29,281

4 Cash and Cash Equivalents

Cash on hand	400	400
Bank balances	371,621	216,332
Deposits at call	2,109,155	1,667,712
Total	2,481,176	1,884,444

Victorian Council of Social Service

ABN: 23 005 014 988

Notes to the Financial Statements For the Year Ended 30 June 2017

5 Trade and Other Receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	84,573	140,611
Prepayments	33,747	22,749
Other receivables	17,470	8,427
	<u>135,790</u>	<u>171,787</u>

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

6 Non-current assets held for sale

Non-current assets held for sale		
Investment property	<u>210,381</u>	-

7 Property, plant and equipment

Plant and equipment		
At cost	618,289	604,075
Accumulated depreciation	(588,431)	(559,490)
Total plant and equipment	<u>29,858</u>	<u>44,585</u>

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:

	Plant and Equipment	Total
	\$	\$
Year ended 30 June 2017		
Balance at the beginning of year	44,585	44,585
Additions	14,215	14,215
Depreciation expense	(28,942)	(28,942)
Balance at the end of the year	<u>29,858</u>	<u>29,858</u>

8 Investment Property

Freehold land - at cost	-	110,000
Buildings - at cost	-	193,492
Less accumulated depreciation	-	(87,436)
Total buildings	<u>-</u>	<u>106,056</u>
Total investment property	<u>-</u>	<u>216,056</u>

Victorian Council of Social Service

ABN: 23 005 014 988

Notes to the Financial Statements

For the Year Ended 30 June 2017

9 Other Assets

	2017	2016
	\$	\$
CURRENT		
Restoration costs	80,346	80,346
Less accumulated amortisation	(72,312)	(56,242)
	<u>8,034</u>	<u>24,104</u>

10 Trade and Other Payables

Current		
Trade payables	29,585	41,326
GST payable	95,898	44,818
Sundry payables and accrued expenses	101,824	117,998
	<u>227,307</u>	<u>204,142</u>

11 Provisions

CURRENT		
Lease incentive provision	7,426	22,275
NON-CURRENT		
Lease related provisions	85,355	96,108

12 Other Liabilities

CURRENT		
Unexpended project funds	1,075,298	443,847
Subscriptions received in advance	161,461	312,918
Other subscriptions in advance	1,168	832
	<u>1,237,927</u>	<u>757,597</u>

13 Employee Benefits

Current liabilities		
Long service leave	31,580	33,198
Annual leave	105,787	95,672
Other employee benefits	143,559	223,176
	<u>280,926</u>	<u>352,046</u>
Non-current liabilities		
Long service leave	59,111	80,182

Notes to the Financial Statements For the Year Ended 30 June 2017

14 Reserves

(a) Building Maintenance Reserve

The company owns an investment property as disclosed in note 7. The building maintenance reserve has been established in order to provide for the cost of substantial repairs to the property as needed from time to time.

During the financial year the reserve was increased by \$Nil (2016: \$Nil).

(b) Bequest Reserve

During the 2006-2007 financial year, the company had received a bequest of \$245,329 from the estate of a deceased member. As stipulated in the donor's will, the bequest is to be used for research purposes.

It is therefore not available for general use by the company and accordingly a reserve has been established. The funds received under the bequest have been invested and the interest earned has also been allocated to the reserve account.

During the year, none (2016: \$Nil) of the reserve was utilised for research purposes.

15 Leasing Commitments

Operating leases

	2017	2016
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	217,685	206,771
- between one year and five years	814,958	104,224
	<u>1,032,643</u>	<u>310,995</u>

Operating leases are in place for office accommodation and photocopier.

16 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the company is \$ 613,000 (2016: \$ 492,790).

The Chief Executive Officer shares the authority and responsibility for planning, directing and controlling the activities of the company with senior management team.

17 Contingencies

Office accommodation is leased from 128 Exhibition Street Pty Ltd and the lease expires on 31 December 2022. If the company does not comply with any of its obligations under these leases, the property owner may call on bank guarantees established in relation to the leases, without notice to the company.

As at 30 June 2017, the bank guarantees aggregate to \$50,000 (2016: \$50,000).

Victorian Council of Social Service

ABN: 23 005 014 988

Notes to the Financial Statements

For the Year Ended 30 June 2017

18 Events after the end of the Reporting Period

The investment property, classified as non-current asset held for sale, has been sold subsequent to year end.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

19 Statutory Information

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

Victorian Council of Social Service
Level 8, 128 Exhibition Street
Melbourne Vic 3000

Victorian Council of Social Service

ABN: 23 005 014 988

Responsible Entities' Declaration


The directors of the entity are the responsible persons and the responsible persons declare that:

1. The financial statements and notes, as set out on pages 9 - 20, are in accordance with the *Australian Charities and Not-for profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the entity.

1. In the responsible persons' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

President 
Stella Avramopoulos

Treasurer 
Simon Trivett

Dated 22 September 2017

Independent Audit Report to the members of Victorian Council of Social Service

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Victorian Council of Social Service (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Persons' Declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of Division 60 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 matter

The financial report of Victorian Council of Social Service for the year ended 30 June 2016 was audited by another auditor who expressed an unmodified opinion on the financial report on 10 October 2016.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' report for the year ended 30 June 2017.

Our opinion on the financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration. Our opinion on the financial report does not cover the other information and accordingly 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines 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, management is responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



ACCRU MELBOURNE (AUDIT) PTY LTD
Chartered Accountants



G D WINNETT
Director

22 September 2017