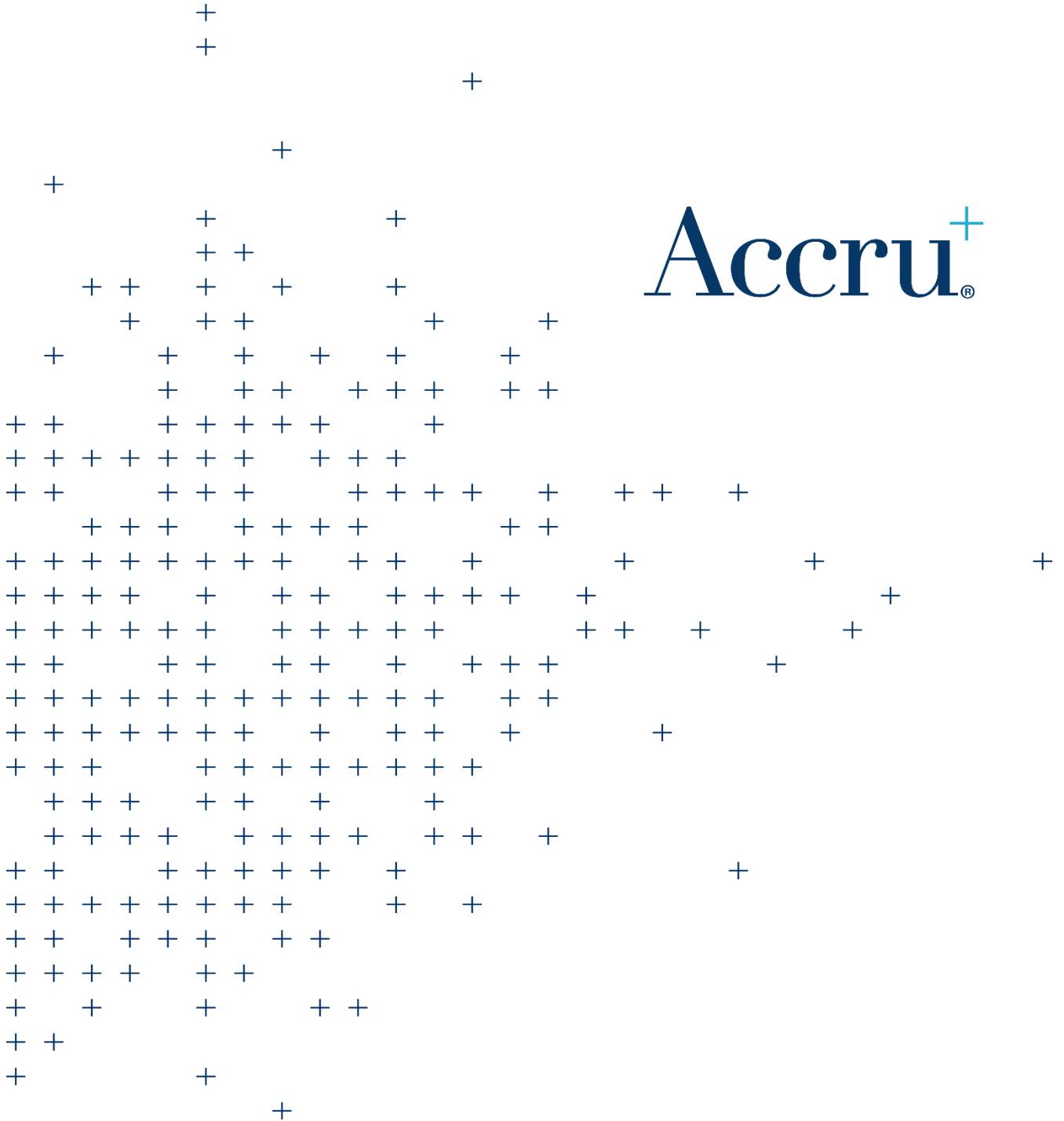


VICTORIAN COUNCIL OF SOCIAL SERVICE
ABN 23 005 014 988

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019



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Victorian Council of Social Service

ABN: 23 005 014 988

Contents

For the Year Ended 30 June 2019

	Page
Financial Statements	
Directors' Report	1 - 9
Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012	10
Statement of Profit or Loss and Other Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 22
Responsible Entities' Declaration	23
Independent Audit Report	24 - 25

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2019

The directors present their report on Victorian Council of Social Service for the financial year ended 30 June 2019.

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 Sykes	Vice President, Member of the Finance, Audit and Risk Committee	
Simon Trivett	Treasurer, Chair of the Finance, Audit and Risk Committee	
David Brant		
Dr Jason Davies-Kildea		Resigned 9 August 2019
Tony Keenan		Resigned 12 November 2018
Tony Lang		Resigned 12 November 2018
Lyn Morgain		Resigned 12 November 2018
Caroline Mulcahy		Resigned 8 September 2019
Vicki Sutton	Member of the Finance, Audit and Risk Committee	
Paul Linossier		Appointed 12 November 2018
Sue Woodward		Appointed 12 November 2018
Damian Ferrie		Appointed 12 November 2018

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 which was extended into 2019 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 2019

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 2018/2019 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:

- Extensive Media impact through radio, television, print and social media. First port of call for key messaging/addressing issues impacting the sector.
- In 2018-2019, VCOSS produced 34 public reports and submissions including the Victorian Budget Submission, Delivering Fairness. Topics include; the on demand workforce, Child Safe Standards, the role of mainstream organisations in supporting Aboriginal Communities, future opportunities for adult learning, Victoria's Mental Health System, the need for active market stewardship for the NDIS, fairer energy contracts and discounts for Victorians, regulated minimum rental housing standards, School Transport and the NDIS, the links between climate change and social equity.
- VCOSS has hosted member consultations, attended round tables and been invited to presented evidence to Royal commissions such as; the Mental Health Royal Commission, the Community Resilience hearing of the Royal Commission and the Royal Commission into Aged Care.
- VCOSS launched Empowered Lives: Securing change for people with disability.
- VCOSS participated in: Portable Long Service Authority (PLSA) Governing Board meeting, DET Ministerial Forum

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 the community

Directors' Report

30 June 2019

VCOSS Strategic Plan

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

Achievements:

- Launched The Community Service Industry Plan: Rolling Implementation Plan 2019-2020.
- Commencement and official launch of the Community Traineeships Pilot Program (CTPP) for young Victorian job seekers, to address youth unemployment and increased workforce demand in the community services industry.
- The introduction of two new information sharing schemes and the MARAM.
- DARU convened an Advocacy Sector Conversations event, which help to build the skills, knowledge and networks of disability advocates. The presentations at this forum covered best-practice engagement with people with disability.
- VCOSS published our consultation report following widespread consultations on the Funding and Service Agreement on behalf of the community sector.
- VCOSS and the Human Services and Health Partnership Implementation Committee (HSHPIC) hosted the Community Services Industry Symposium with more than 200 industry leaders in attendance. The symposium was the next step in the implementation of the 10-year Community Services Industry Plan.
- The Community Services Industry Plan - Rolling Implementation Plan 2019-2020 was finalised and is available on the VCOSS website.
- Family Safety Victoria and DHHS confirmed the expansion of the Enhanced Pathways to Family Violence Work project, which provides funding, training and other resources to assist specialist and non-specialist community service organisations to develop and transition students and new workers to family violence roles.

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:

- An HR specialist was engaged and the HR policies agreed to in the Enterprise Bargaining process were finalised
- An Investment Strategy and policy was implemented by the Finance Audit and Risk Committee (FARC) and Board.
- FARC Terms of Reference were completed which outline how the committee will safeguard the integrity of the organisation's financial and risk reporting and management. The committee promotes an appropriate risk and compliance culture across VCOSS

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2019

VCOSS Strategic Plan

- VCOSS engaged an emergency management group to develop an evacuation plan for the office taking into account people with a disability who either work or visit the premises. An Emergency Plan clearly documenting the responsibilities for wardens for people requiring assistance to evacuate and emergency evacuation diagrams were completed.
- Delivered healthy financial surplus and tight fiscal control of the organisation
- Throughout 2018–19, VCOSS continued to deliver and build on its first Reconciliation Action Plan, including the development of formal and informal relationships with DJIRRA, the Victorian Aboriginal Community Services Association, the Victorian Aboriginal Community Controlled Health Organisation, the Victorian Aboriginal Child Care Agency, the Treaty Commission, the Victorian Aboriginal Education Association, The Commissioner for Aboriginal Children and the Victorian Government's Aboriginal Workforce Working Group.

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 2019 the collective liability of members was \$ 6,500 (2018: \$ 6,500).

Company secretary

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

Meetings of directors

During the financial year, 16 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	8	8	5
Kim Sykes	8	7	8	6
Simon Trivett	8	8	8	8
David Brant	8	7	-	-
Dr Jason Davies-Kildea	8	8	-	-
Tony Keenan	3	1	-	-
Tony Lang	3	3	-	-
Lyn Morgain	3	1	-	-
Caroline Mulcahy	8	8	-	-
Vicki Sutton	8	7	8	8
Paul Linossier	5	4	-	-
Sue Woodward	5	5	-	-
Damian Ferrie	5	5	-	-

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2019

Information on directors

Stella Avramopoulos

Qualifications

MBA, BA (Criminology)

Experience

Board member since 2011. Stella was appointed CEO of Good Shepherd Australia New Zealand in February 2018.

Stella was CEO of Kildonan Uniting Care between 2008 and 2017 where she led significant growth and innovation. Her experience spans correctional services at the Victorian Department of Justice and in local government youth services. She was also a consultant with Consumer Affairs Victoria as the resident sponsor at the Berkeley Retirement facility in 2017.

Special Responsibilities

President, Member of the Finance, Audit and Risk Committee

Kim Sykes

Qualifications

MBA, Graduate of the Australian Institute of Company Directors, Psychiatric nursing qualifications

Experience

Kim has been a VCROSS Board member since 2012. Her previous board experience includes the Nurses Board of Victoria, FoodShare Bendigo and Latrobe University's Bendigo Regional Advisory Board as well as membership of the Grattan Institute's Health Program Advisory Group.

Kim has extensive experience within health and community services, has held senior policy positions within the Department of (then) Health and the Department of (then) Human Services and sat on a number of state-wide Taskforces and Advisory Committees. Kim currently manages education services for the ANMF (Vic Branch).

Special Responsibilities

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

Simon Trivett

Qualifications

MBA (Exec), B Ec., CA.

Experience

Board member since 2013. Audit and Assurance Partner and Head of Consumer Products and 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

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2019

Information on directors

David Brant

Experience

Board member since 2006. David is an individual member of the board, is a person with a disability and has an understanding of the crisis people who acquire a disability go through.

Outside of VCOSS he works with municipal councils and smaller organisations to improve their governance procedures. David is a long-term member of the Yarra City Council disability advisory committee. David also convenes the Australian Network for Universal Housing.

Dr Jason Davies-Kildea

Qualifications

Experience

BTheol, MTheol, MSocSci (Policy and Human Services), PhD
Board member from 2014 to August 2019. Head of Policy and Advocacy, Beyond Blue. Former Manager, The Salvation Army, Victoria Social Programme and Policy Unit. 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. Over 20 years in Victorian social services from frontline programs through to senior management roles.

Tony Keenan

Qualifications

Experience

EMPA, B Ed

Board member from 2013 to November 2018. Former Chief Executive Office of Launch Housing (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 from 1998 to November 2018. 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.

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2019

Information on directors

Lyn Morgain

Qualifications

Experience

Graduate of the AICD

Board member from 2016 to November 2018. 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 wellbeing, 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 from 2016 to September 2019. Caroline is the General Manager, Transformation, Strategy and Insights at the National Heart Foundation. With a health background, she has worked in hospitals, and for purpose and commercial organisations in the UK, Hong Kong and Australia. She is a Graduate of the AICD and has a Masters degree in Health Sciences (majoring in Research Methods), and is passionate about social enquiry and evidence based practices that make a difference and an impact. In recent years, Caroline has concentrated on reviewing, designing and planning governance and service systems, and has led organisations through substantial change.

Vicki Sutton

Qualifications

Experience

Masters in Applied Finance; BA Accounting; CPA and a Graduate of the Australian Institute of Company Directors

Board member since 2017. Vicki is CEO of Melbourne City Mission which provides a diverse range of community services across Homelessness, Disability, Education, Early Years, Justice and Palliative Care. Over 30 years, Vicki's career has spanned the commercial and not for profit sectors. For more than 13 years, Vicki has been in senior executive roles supporting transformation change in complex, challenging environments including navigating aged care reforms with Royal District Nursing Service prior to joining Melbourne City Mission.

Special Responsibilities

Member of the Finance, Audit and Risk Committee

Paul Linossier

Qualifications

Experience

Bachelor of Arts (BA), Bachelor of Social Work, Masters of Public Administration (ANZSOG).

Board member since 2018. Paul is an experienced public sector and community services professional. Paul previously held positions as the inaugural Chief Executive Officer of Uniting (VIC.TAS), the CEO of Wesley Mission Victoria, has a strong personal commitment to the marginalised and vulnerable in our community and over three decades experience in leading organisational change and system reform.

Directors' Report

30 June 2019

Information on directors

Sue Woodward

Qualifications

LLB (Hons) Melb

Experience

Board member since 2018. Sue is the joint Head of Justice Connect's specialist Not-for-profit Law service. Sue has worked with VCOSS for more than a decade on policy and law reform issues of importance to the Victorian and Australian not-for-profit sector.

From 2012-2015 she was the inaugural Director, Policy & Education at the Australian Charities and Not-for-profits Commission. She is qualified lawyer and a former academic with the Melbourne Law School. Sue is a board member of the Human Rights Law Centre, and has held other charity board positions in mental health and social enterprise.

Damian Ferrie

Qualifications

Masters of Applied Science (Social Ecology), Post Graduate Diploma in Conflict Resolution, Bachelor of Theology and the Executive Fellows Program (the Australia New Zealand School of Government).

Experience

Board member since 2018. Damian is the Chief Executive Officer of Star Health Group, and the Chair of the Mental Health Victoria Board. Damian has had leadership roles in the health, housing, community development and transport sectors in New South Wales and Victoria. His work has been focused on tackling social, economic and health inequity.

Damian has developed and implemented many programs to narrow the gap between disadvantaged communities and the rest of the state, including initiating many place based interventions to build community capacity through partnerships with community, businesses and the philanthropic sectors.

Sheena Watt

Qualifications

Graduate AICD

Experience

Sheena Watt is the Executive Manager for Aboriginal and Torres Strait Islander Policy & Programs at AFL SportsReady. Sheena is an advocate for the public health, an Aboriginal engagement advisor and a Board Director. She is a board member VicHealth - The Victorian Health Promotion Foundation, Progressive Public Health Australia. Sheena is also a member of the Clinical Governance Committee at Merri Health, Policy and Programs Task Group at Women's Health Victoria and the Family Matters Campaign Leadership Group with SNAICC. Sheena is a Yorta Yorta woman.

Victorian Council of Social Service

ABN: 23 005 014 988

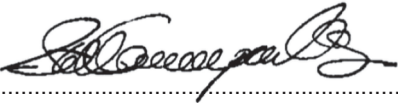
Directors' Report

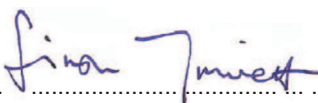
30 June 2019

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 2019 has been received and can be found on page 10 of the financial report.

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

President: 
Stella Avramopoulos

Treasurer: 
Simon Trivett

Dated 25 October 2019

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 2019, 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



G D WINNETT
Director

25 October 2019

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 2019

		2019	2018
	Note	\$	\$
Revenue - operating activities	2	5,682,632	4,049,482
Employee benefits expense		(1,501,750)	(1,433,044)
Occupancy expenses		(243,225)	(233,626)
Publication expenses		(14,387)	(61,154)
Investment expenses		(2,774)	(2,092)
Other operating and administration expenses		(473,489)	(489,753)
Project expenses		(3,214,918)	(1,243,192)
Surplus from operating activities		232,089	586,621
Interest income - bequest	2	8,983	8,961
Other income	2	-	2,915,511
Surplus for the year		241,072	3,511,093
Other comprehensive income for the year		-	-
Total comprehensive income for the year		241,072	3,511,093

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 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	9,432,856	7,601,923
Trade and other receivables	5	48,064	294,350
TOTAL CURRENT ASSETS		<u>9,480,920</u>	<u>7,896,273</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	39,265	32,721
TOTAL NON-CURRENT ASSETS		<u>39,265</u>	<u>32,721</u>
TOTAL ASSETS		<u>9,520,185</u>	<u>7,928,994</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,138,881	442,818
Employee benefits	11	207,905	223,838
Other liabilities	10	3,336,464	2,642,192
TOTAL CURRENT LIABILITIES		<u>4,683,250</u>	<u>3,308,848</u>
NON-CURRENT LIABILITIES			
Employee benefits	11	36,192	61,520
Long-term provisions	9	81,391	80,346
TOTAL NON-CURRENT LIABILITIES		<u>117,583</u>	<u>141,866</u>
TOTAL LIABILITIES		<u>4,800,833</u>	<u>3,450,714</u>
NET ASSETS		<u>4,719,352</u>	<u>4,478,280</u>
EQUITY			
Reserves	12	364,792	355,809
Retained earnings		4,354,560	4,122,471
TOTAL EQUITY		<u>4,719,352</u>	<u>4,478,280</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2018	4,122,471	355,809	4,478,280
Surplus for the year	241,072	-	241,072
Transfer of bequest income to reserve	(8,983)	8,983	-
Balance at 30 June 2019	4,354,560	364,792	4,719,352

2018

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2017	620,339	346,848	967,187
Surplus for the year	3,511,093	-	3,511,093
Transfer of bequest income to reserve	(8,961)	8,961	-
Balance at 30 June 2018	4,122,471	355,809	4,478,280

Victorian Council of Social Service

ABN: 23 005 014 988

Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from government grants and community services	7,038,275	5,741,734
Payments to suppliers and employees	(5,312,057)	(3,839,145)
Interest received	122,798	106,354
Interest received related to bequest reserve	8,963	8,961
Net cash provided by/(used in) operating activities	<u>1,857,979</u>	<u>2,017,904</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investment property	-	3,125,892
Payments for property, plant and equipment	(27,046)	(23,049)
Net cash used by investing activities	<u>(27,046)</u>	<u>3,102,843</u>
Net increase/(decrease) in cash and cash equivalents held	1,830,933	5,120,747
Cash and cash equivalents at beginning of year	7,601,923	2,481,176
Cash and cash equivalents at end of financial year	4 <u>9,432,856</u>	<u>7,601,923</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 2019

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 2019

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) 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.

(f) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(g) 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.

(h) 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.

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.

(i) 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.

Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(j) Adoption of new and revised accounting standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these Standards has not had a significant impact on the recognition, measurement and disclosure of transactions.

First time adoption of AASB 9: Financial Instruments – Applicable from financial year 1 July 2018

AASB 9: Financial Instruments replaces AASB 139: Financial Instruments: Recognition and Measurement for the annual period beginning on or after 1 January 2018, bring together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The company has applied AASB 9 with an initial application date of 1 July 2018. The company has not restated the comparative information.

In summary, upon the adoption of AASB 9, the company had the following required or elected reclassification as at 1 July 2018.

Financial Instrument	Classification under AASB 139	Classification under AASB 9
Trade and other receivables	Loans and Receivables	Amortised Cost

Impact on accumulated surplus and changes in classification due to transition to AASB 9

Upon adoption of AASB 9, the realised gains and losses on disposal of financial assets will be accounted through Other Comprehensive Income whereas previously they were accounted through Profit or Loss.

Impairment

Upon adoption of AASB 9 the Company has found that fundamentally there was no change in accounting for impairment losses for the financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss approach.

Victorian Council of Social Service

ABN: 23 005 014 988

Notes to the Financial Statements For the Year Ended 30 June 2019

2 Revenue

	2019	2018
	\$	\$
Operating revenue		
- Member subscriptions	437,248	435,780
- Interest income	122,798	106,354
- Rent revenue	-	21,027
- Government operational funding	1,108,754	1,670,416
- Project revenue	3,979,159	1,681,635
- Other revenue from services	34,673	134,270
Total operating revenue	5,682,632	4,049,482
Bequest revenue		
- Interest income - bequest	8,983	8,961
Other income		
- Net gain on disposal of investment property	-	2,915,511

3 Result for the Year

The result for the year includes the following specific expenses:

Employment expenses		
Core operational management	1,501,750	1,433,044
Project employment expenses	1,116,956	788,293
Total employment expenses	2,618,706	2,221,337
Depreciation of property, plant and equipment		
Investment Property	-	1,788
Plant and Equipment	20,502	20,187
Total depreciation	20,502	21,975

4 Cash and Cash Equivalents

Cash on hand	2,606,852	1,213,288
Bank balances	304,584	86,632
Deposits at call	6,521,420	6,302,003
Total	9,432,856	7,601,923

Victorian Council of Social Service

ABN: 23 005 014 988

Notes to the Financial Statements For the Year Ended 30 June 2019

5 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	266	230,017
Prepayments	33,452	28,430
Other receivables	14,346	35,903
	<u>48,064</u>	<u>294,350</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 Property, plant and equipment

Plant and equipment		
At cost	341,626	314,580
Accumulated depreciation	(302,361)	(281,859)
Total plant and equipment	<u>39,265</u>	<u>32,721</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 2019		
Balance at the beginning of year	32,721	32,721
Additions	27,046	27,046
Depreciation expense	(20,502)	(20,502)
Balance at the end of the year	<u>39,265</u>	<u>39,265</u>

7 Other Assets

CURRENT		
Restoration costs	80,346	80,346
Less accumulated amortisation	(80,346)	(80,346)
	<u>-</u>	<u>-</u>

Victorian Council of Social Service

ABN: 23 005 014 988

Notes to the Financial Statements For the Year Ended 30 June 2019

8 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade payables	104,636	28,315
GST payable	156,801	247,489
Sundry payables and accrued expenses	877,444	167,014
	<u>1,138,881</u>	<u>442,818</u>

9 Provisions

NON-CURRENT		
Lease related provisions	81,391	80,346

10 Other Liabilities

CURRENT		
Unexpended project funds	3,170,526	2,473,009
Subscriptions received in advance	165,938	169,183
	<u>3,336,464</u>	<u>2,642,192</u>

11 Employee Benefits

Current liabilities		
Long service leave	69,743	51,180
Annual leave	138,162	116,577
Other employee benefits	-	56,081
	<u>207,905</u>	<u>223,838</u>
Non-current liabilities		
Long service leave	36,192	61,520

12 Reserves

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 (2018: \$Nil) of the reserve was utilised for research purposes.

Notes to the Financial Statements For the Year Ended 30 June 2019

13 Leasing Commitments

Operating leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	236,856	227,748
- between one year and five years	633,114	869,970
	<u>869,970</u>	<u>1,097,718</u>

Operating leases are in place for office accommodation and photocopier.

14 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company was \$ 459,802 (2018: \$ 409,716).

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

15 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 2019, the bank guarantees aggregate to \$50,000 (2018: \$ 50,000).

16 Events after the end of the Reporting Period

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

17 Statutory Information

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

VCOSS
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 11 - 22, 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 2019 and of the performance for the year ended on that date of the entity.
2. 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 25 October 2019

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 2019, 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 of the Company is in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 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 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 2019.

Our opinion on the financial report comprises the statement of financial position as at 30 June 2019, 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 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



G D WINNETT
Director

25 October 2019