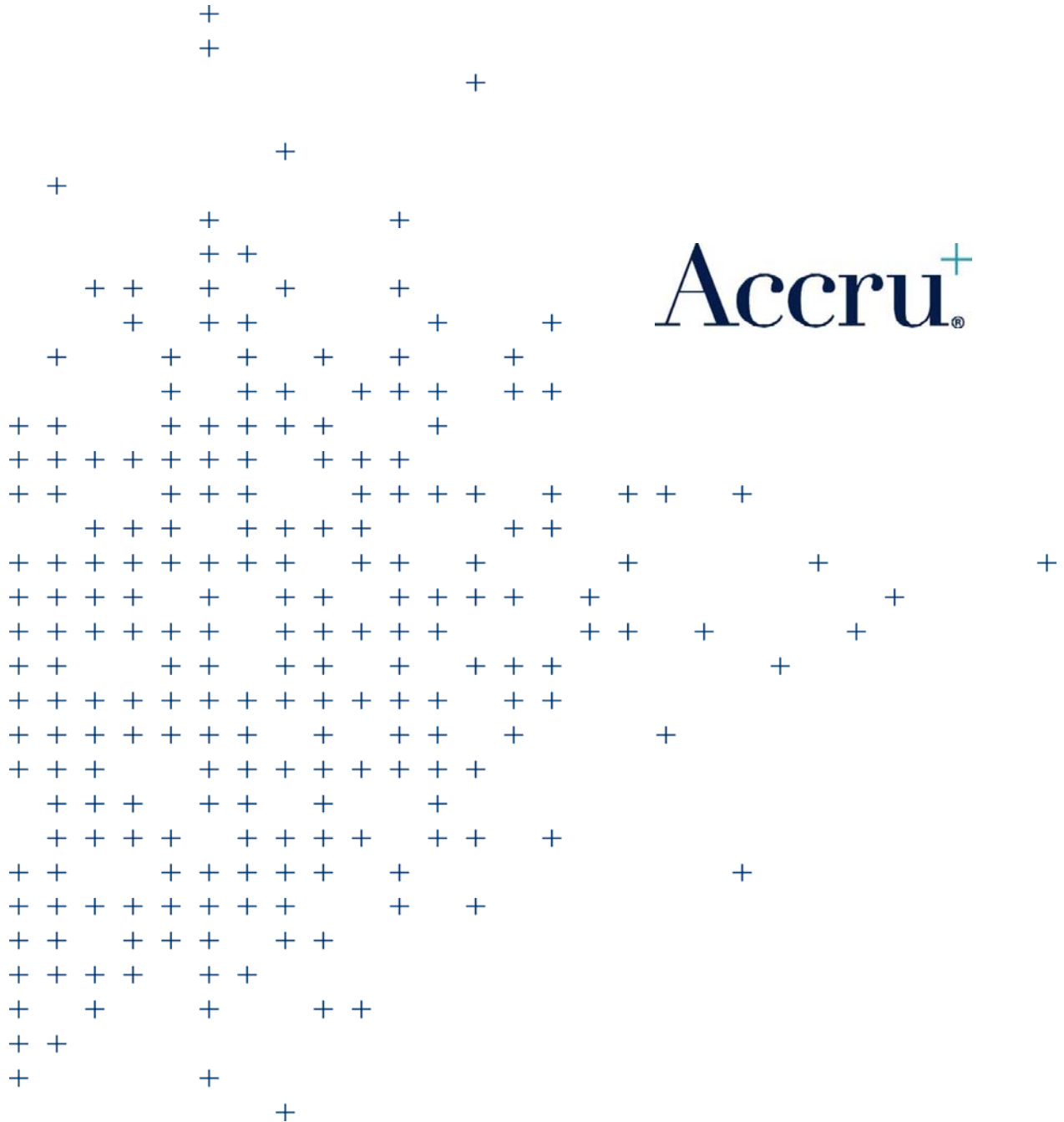


VICTORIAN COUNCIL OF SOCIAL SERVICE
ABN: 23 005 014 988

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



Victorian Council of Social Service

ABN: 23 005 014 988

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For the Year Ended 30 June 2021

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Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report 30 June 2021

The directors present their report on Victorian Council of Social Service for the financial year ended 30 June 2021.

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	Tenure completed 27 May 2021
Kim Sykes	Vice President, Member of the Finance, Audit and Risk Committee	Resigned 13 January 2021
Simon Trivett	Treasurer, Chair of the Finance, Audit and Risk Committee	
David Brant		Tenure completed 27 May 2021
Vicki Sutton	Member of the Finance, Audit and Risk Committee	
Sue Woodward	Vice President	
Damian Ferrie	President	
Sheena Watt		Resigned 12 October 2020
Stefan Gruenert		
Chris Christoforou		Appointed 27 May 2021
Sue White		Appointed 27 May 2021
Lizzy Kuoth		Appointed 8 October 2021
Jill Gallagher		Appointed 8 October 2021

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 for Victoria's social and community sector. It advocates for a Victoria free from poverty and disadvantage and wellbeing for all Victorians and their communities.

The principal underlying the VCOSS vision and purpose are defined as:

- Good living standards and prospects for all Victorians
- Support for Aboriginal self-determination
- Inclusive of all Victorians as equals without discrimination
- Independent and non partisan.

VCOSS Strategic Plan

The Board of Directors, in consultation with the Chief Executive Officer (CEO), developed a Strategic Plan (2021-2024) to achieve VCOSS's vision of "a Victoria free from poverty and disadvantage".

Directors' Report

30 June 2021

VCOSS Strategic Plan

The purpose of the new Strategic Plan is "Wellbeing for all Victorians and their communities" and addresses our key areas of activity as:

- Advocacy and leadership
- Coalitions for change
- Thriving communities
- Inclusive and sustainable growth

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. 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 the annual report outline the operational activities that will contribute to and/or culminate in the achievement of the organisation's long term strategic objectives.

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 2021 the collective liability of members was \$ 6,320 (2020: \$ 6,340).

Company secretary

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

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2021

Meetings of directors

During the financial year, 19 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Audit and Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Stella Avramopoulos	8	8	8	6
Kim Sykes	4	3	5	5
Simon Trivett	10	10	9	9
David Brant	8	9	-	-
Vicki Sutton	10	9	9	9
Sue Woodward	10	10	-	-
Damian Ferrie	10	10	-	-
Sheena Watt	2	2	-	-
Stefan Gruenert	10	10	-	-
Chris Christoforou	2	2	-	-
Sue White	2	2	-	-
Lizzy Kuoth	-	-	-	-
Jill Gallagher	-	-	-	-

Information on directors

Simon Trivett

Qualifications

Experience

MBA (Exec), BEc, CA

Independent Board member since 2013. Simon is the current VCOSS Treasurer and Chair of the Finance, Audit and Risk Committee.

Partner - Audit & Assurance and Victorian Head of Consumer Products & Retail at Grant Thornton. Simon has over 25 years advising business and organisations on financial reporting and risk management processes.

Simon is a registered company auditor and member of Chartered Accountants Australia and New Zealand.

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2021

Information on directors

Vicki Sutton

Qualifications

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

Experience

Board member since 2017.

Chief Executive Officer of Melbourne City Mission MCM provides a broad range of community services including disability, homelessness, family services, justice, education, early years and community palliative care.

Over 30 years, Vicki's career has spanned the commercial and not-for-profit sectors. For over a decade, Vicki has been in senior executive roles in NFP supporting transformational change in complex, challenging environments. This has included navigating significant funding reforms in aged care and the introduction of the marketised NDIS.

Vicki is an experienced board director (community health, environment and superannuation).

Sue Woodward

Qualifications

Deputy President

LLB (Hons) Melb

Experience

Board member since 2018 and VCOSS Deputy President since 31 May 2021.

Chief Adviser, Not-for-profit Law, Justice Connect.

Sue was the driving force behind the establishment of what is now the specialist Not-for-profit Law service with the legal assistance charity, Justice Connect. From 2012-2015 she was the inaugural Director, Policy & Education at the Australian Charities and Not-for-profits Commission. She is a qualified lawyer and a former academic with Melbourne Law School. For more than two decades Sue has been a leader on policy and law reform issues of importance to the Victorian and Australian not-for-profit sector, with her contribution recognised with an Australian Honour (AM) in 2021.

Victorian Council of Social Service

ABN: 23 005 014 988

Directors' Report

30 June 2021

Information on directors

Damian Ferrie	President
Qualifications	Masters of Applied Science (Social Ecology), Post Graduate Diploma in Conflict Resolution, Bachelor of Theology, ANZSOG Executive Fellows Program, Judge Business School Cambridge Advanced Leadership Program.
Experience	Board member since 2018 and VCOSS President since 31 May 2021. Chair of Mental Health Victoria Board Chief Executive Officer, Star Health Group Limited

Damian has had leadership roles in the health, housing, community development in New South Wales and Victoria. His work has been focused on tackling social economic, health inequity.

Damian has developed and implemented many programs to narrow the gap between disadvantaged communities and the rest of the state, including as the first Director of Neighbourhood Renewal with DHHS. He has initiated many place-based interventions to build community capacity through partnerships with community, businesses and the philanthropic sectors.

Stefan Gruenert	
Qualifications	Doctorate in Psychology (Counselling); Strategic Perspectives in Non-Profit Management (Harvard Business School); Diploma in Community Services (Drug & Alcohol); BA (Hons).
Experience	Board Member since 2019 Chief Executive Officer of Odyssey House Victoria, the immediate past President of the Victorian Alcohol and other Drug Association, and former Board Director of the Alcohol and other Drugs Council of Australia. Registered psychologist with more than 20 years of experience in the drug and alcohol sector as a clinician, researcher, and manager. Regularly provides advice to government, and has contributed to International Drug Policy (United Nations in Vienna, 2008), and to several resources and books for workers around parenting, family violence and addictions.

Chris Christoforou	
Qualifications	Master of Youth Services Management, Graduate Diploma in Education (Secondary), Bachelor of Arts
Experience	Board member since May 2021. Chris is currently Director Operations at the Yoo-rook Justice Commission, the Royal Commission into Aboriginal truth telling. He was previously Executive Office of the Ethnic Communities' Council of Victoria, the member based peak body for ethnic communities and multicultural organisations in Victoria. Chris is a current member of the Victorian Government's Anti-Racism Taskforce.

Victorian Council of Social Service

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Directors' Report 30 June 2021

Information on directors

Sue White

Qualifications

Experience

RN Master Public Health Monash, Graduate AICD

Board member since May 2021.

Chief Executive Officer of Queen Elizabeth Centre.

Sue has high levels of skill and experience in leadership and governance across the community, health and not for profit sectors.

Covid-19

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which has continued to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and International markets. There is significant uncertainty around the breadth and duration of business and social disruptions related to COVID-19, as well as its impact on the Australian and International economies and people affected by poverty and inequality.

In the second year of the COVID-19 coronavirus pandemic, COVID-19 has not had a material impact to VCOSS's operations. VCOSS has not received the government stimulus, JobKeeper or rent concessions throughout the pandemic.

VCOSS continues to closely monitor the impact of COVID-19. From the date of this reporting, the Directors are unaware of any additional factors suggesting a substantial financial impact.

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 2021 has been received and can be found on page 7 of the financial report.


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

President:



Damian Ferrie

Treasurer:



Simon Trivett

22 October 2021

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 2021, 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



A N SAMADI
Director

22 October 2021

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 2021

	Note	2021 \$	2020 \$
Revenue - operating activities	2	5,392,461	5,783,942
Employee benefits expense		(1,589,908)	(1,455,842)
Occupancy expenses		(29,083)	(31,437)
Publication expenses		(3,219)	(7,582)
Investment expenses		(34,601)	(31,579)
Other operating and administration expenses		(531,105)	(643,141)
Project expenses		(3,010,205)	(3,167,336)
Finance costs		(18,260)	(26,605)
Surplus from operating activities		176,080	420,420
Interest - investment	2	2,834	6,422
Surplus for the year		178,914	426,842
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net fair value movements for financial assets		787,535	(26,494)
Realised gains/(losses) on disposal of financial assets		(50,398)	26,817
Other comprehensive income for the year		737,137	323
Total comprehensive income for the year		916,051	427,165

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 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,183,520	5,799,899
Trade and other receivables	5	195,553	216,512
TOTAL CURRENT ASSETS		<u>4,379,073</u>	<u>6,016,411</u>
NON-CURRENT ASSETS			
Right-of-use assets	9	331,870	553,117
Financial assets	6	5,080,168	3,049,126
Property, plant and equipment	7	51,354	79,815
TOTAL NON-CURRENT ASSETS		<u>5,463,392</u>	<u>3,682,058</u>
TOTAL ASSETS		<u><u>9,842,465</u></u>	<u><u>9,698,469</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	646,355	530,082
Employee benefits	13	308,957	275,254
Other liabilities	12	2,336,222	3,059,028
Lease liabilities	9	234,829	217,560
TOTAL CURRENT LIABILITIES		<u>3,526,363</u>	<u>4,081,924</u>
NON-CURRENT LIABILITIES			
Employee benefits	13	48,875	31,446
Long-term provisions	11	83,273	82,367
Lease liabilities	9	121,386	356,215
TOTAL NON-CURRENT LIABILITIES		<u>253,534</u>	<u>470,028</u>
TOTAL LIABILITIES		<u>3,779,897</u>	<u>4,551,952</u>
NET ASSETS		<u><u>6,062,568</u></u>	<u><u>5,146,517</u></u>
EQUITY			
Reserves	14	1,135,089	344,720
Retained earnings		4,927,479	4,801,797
TOTAL EQUITY		<u><u>6,062,568</u></u>	<u><u>5,146,517</u></u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2021

2021

	Retained Earnings	Bequest Reserve	Financial Asset Reserve	Total
	\$	\$	\$	\$
Balance at July 1, 2020	4,801,797	371,214	(26,494)	5,146,517
Surplus for the year	178,914	-	-	178,914
Transfer of bequest income to reserve	(2,834)	2,834	-	-
Net fair value movements for financial assets	-	-	787,535	787,535
Realised gains/(losses) on disposal of financial assets	(50,398)	-	-	(50,398)
Balance at 30 June 2021	4,927,479	374,048	761,041	6,062,568

2020

	Retained Earnings	Bequest Reserve	Financial Asset Reserve	Total
	\$	\$	\$	\$
Balance at July 1, 2019	4,354,560	364,792	-	4,719,352
Surplus for the year	426,842	-	-	426,842
Transfer of bequest income to reserve	(6,422)	6,422	-	-
Net fair value movements for financial assets	-	-	(26,494)	(26,494)
Realised gains/(losses) on disposal of financial assets	26,817	-	-	26,817
Balance at 30 June 2020	4,801,797	371,214	(26,494)	5,146,517

Victorian Council of Social Service

ABN: 23 005 014 988

Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from government grants and community services	5,085,975	5,697,240
Payments to suppliers and employees	(5,273,220)	(6,139,002)
Dividends received	85,253	79,348
Interest received	15,465	57,549
Interest received related to bequest reserve	2,834	6,422
Interest paid on lease liabilities	(18,260)	(26,605)
Net cash provided by/(used in) operating activities	<u>(101,953)</u>	<u>(325,048)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(2,961)	(58,517)
Net purchase of financial assets	(1,293,905)	(3,048,803)
Net cash used by investing activities	<u>(1,296,866)</u>	<u>(3,107,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(217,560)	(200,589)
Net cash used by financing activities	<u>(217,560)</u>	<u>(200,589)</u>
Net increase/(decrease) in cash and cash equivalents held	(1,616,379)	(3,632,957)
Cash and cash equivalents at beginning of year	5,799,899	9,432,856
Cash and cash equivalents at end of financial year	4 <u>4,183,520</u>	<u>5,799,899</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 2021

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 contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

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

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

Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(a) Revenue

Specific revenue streams

Grant revenue (including grants related to projects) 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 performance obligations are attached to grant which must be fulfilled, the recognition of the grant revenue as revenue will be deferred until the fulfillment of those performance obligations.

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

Donations and bequests are recognised as revenue when received unless they require fulfilment of performance obligations, where they are carried forward as income in advance in the statement of financial position and recognised as revenue upon fulfilment of the performance obligations either at a point in time or over a period of time.

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.

(d) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(d) Leases

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

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

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

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

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

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

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

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(e) 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.

Notes to the Financial Statements For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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.

(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) 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.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(h) 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.

(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.

(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.

Victorian Council of Social Service

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Notes to the Financial Statements For the Year Ended 30 June 2021

2 Revenue

	2021	2020
	\$	\$
Operating revenue		
- Member subscriptions	483,898	457,065
- Interest income	15,465	57,549
- Dividend income	85,253	79,348
- Government operational funding	1,191,084	1,157,482
- Project revenue	3,533,678	3,934,962
- Other revenue from services	83,083	97,536
Total operating revenue	5,392,461	5,783,942
Bequest revenue		
- Interest income	2,834	6,422

3 Result for the Year

The result for the year includes the following specific expenses:

Employment expenses		
Core operational management	1,589,908	1,455,842
Project employment expenses	1,511,624	1,542,905
Total employment expenses	3,101,532	2,998,747
Depreciation expenses		
Depreciation - right of use assets	221,247	221,247
Depreciation - plant & equipment	31,422	17,967
Total depreciation	252,669	239,214

4 Cash and Cash Equivalents

Cash at bank and on hand	1,603,354	2,219,107
Deposits at call	2,580,166	3,580,792
	4,183,520	5,799,899

Notes to the Financial Statements For the Year Ended 30 June 2021

5 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	150,240	37,426
Prepayments	42,922	30,851
Accrued income	2,391	148,235
	<u>195,553</u>	<u>216,512</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 Financial assets

Equity securities designated as at FVOCI

NON-CURRENT

Equity investments portfolio	<u>5,080,168</u>	3,049,126
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7 Property, plant and equipment

Plant and equipment		
At cost	138,672	135,711
Accumulated depreciation	<u>(87,318)</u>	<u>(55,896)</u>
Total plant and equipment	<u>51,354</u>	79,815

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 2021		
Balance at the beginning of year	79,815	79,815
Additions	2,961	2,961
Depreciation expense	<u>(31,422)</u>	<u>(31,422)</u>
Balance at the end of the year	<u>51,354</u>	<u>51,354</u>

Victorian Council of Social Service

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Notes to the Financial Statements For the Year Ended 30 June 2021

8 Other Assets

	2021	2020
	\$	\$
CURRENT		
Restoration costs	80,346	80,346
Less accumulated amortisation	(80,346)	(80,346)
	<u>-</u>	<u>-</u>

9 Leases

Right-of-use assets

	Buildings	Total
	\$	\$
Year ended 30 June 2021		
Balance at beginning of year	553,117	553,117
Depreciation charge	(221,247)	(221,247)
Balance at end of year	<u>331,870</u>	<u>331,870</u>

	Buildings	Total
	\$	\$
Year ended 30 June 2020		
Impact of initial adoption of AASB 16 Leases	774,364	774,364
Depreciation charge	(221,247)	(221,247)
Balance at end of year	<u>553,117</u>	<u>553,117</u>

Lease liabilities

	2021	2020
	\$	\$
Lease liabilities - current	234,829	217,560
Lease liabilities - non current	121,386	356,215
	<u>356,215</u>	<u>573,775</u>

Statement of Profit or Loss and Other Comprehensive Income

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

Interest expense on lease liabilities	(18,260)	(26,605)
Depreciation of right-of-use assets	(221,247)	(221,247)
	<u>(239,507)</u>	<u>(247,852)</u>

Victorian Council of Social Service

ABN: 23 005 014 988

Notes to the Financial Statements For the Year Ended 30 June 2021

10 Trade and Other Payables

	2021	2020
	\$	\$
Current		
Trade payables	176,120	238,517
GST payable	98,651	141,540
Sundry payables and accrued expenses	371,584	150,025
	<u>646,355</u>	<u>530,082</u>

11 Provisions

NON-CURRENT		
Lease related provisions	83,273	82,367

12 Other Liabilities

CURRENT		
Contract obligations	2,167,052	2,924,930
Subscriptions received in advance	169,170	134,098
	<u>2,336,222</u>	<u>3,059,028</u>

13 Employee Benefits

Current liabilities		
Long service leave	60,750	59,756
Annual leave	248,207	215,498
	<u>308,957</u>	<u>275,254</u>
Non-current liabilities		
Long service leave	48,875	31,446

14 Reserves

Balances of reserves for the year are shown in the Statement of Changes in Equity.

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 (2020: \$ Nil) of the reserve was utilised for research purposes.

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company was \$ 460,949 (2020: \$ 373,558).

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

16 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 2021, the bank guarantees aggregate to \$50,000 (2020: \$ 50,000).

17 Events after the end of the Reporting Period

The financial report was authorised for issue on _____ by the Board.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which has continued to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and International markets. There is significant uncertainty around the breadth and duration of business and social disruptions related to COVID-19, as well as its impact on the Australian and International economies and people affected by poverty and inequality. COVID-19 has not had a material impact to VCOSS's operations.

VCOSS continues to closely monitor the impact of COVID-19. From the date of this reporting, the Directors are unaware of any additional factors suggesting a substantial financial impact.

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.

18 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 8 - 21, 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 2021 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

Damian Ferrie



Treasurer

Simon Trivett

Dated 22 October 2021

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 2021, 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 2021 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 2021.

Our opinion on the financial report comprises the statement of financial position as at 30 June 2021, 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



A N SAMADI
Director

22 October 2021