



**VICTORIAN COUNCIL OF SOCIAL SERVICE**  
**ABN: 23 005 014 988**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**Accru<sup>+</sup>**  
Melbourne

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# **Victorian Council of Social Service**

ABN: 23 005 014 988

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**For the Year Ended 30 June 2023**

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## Victorian Council of Social Service

ABN: 23 005 014 988

### Directors' Report 30 June 2023

The directors present their report on Victorian Council of Social Service for the financial year ended 30 June 2023.

#### Directors

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

Names	Position	Appointed / Resigned
Damian Ferrie	President	
Sue Woodward	Vice President	Resigned 17 November 2022
Simon Trivett	Treasurer, Chair of the Finance, Audit and Risk Committee	Resigned 29 November 2022
Vicki Sutton	Treasurer, Chair of the Finance, Audit and Risk Committee	
Stefan Gruenert		
Chris Christoforou		
Sue White	Member of the Finance, Audit and Risk Committee	
Nyangak (Lizzy) Kuoth		
Jill Gallagher	Deputy President	
Juanita Pope		Appointed 30 January 2023 Resigned 14 August 2023
Ruth Wong	Member of the Finance, Audit and Risk Committee	Appointed 17 February 2023

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, and the state's premier social advocacy body. VCOSS advocates for a Victoria free from poverty and disadvantage and wellbeing for all Victorians and their communities.

VCOSS' vision of a Victoria free from poverty and disadvantage is based on the principles of:

- 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 VCOSS Strategic Plan 2021-2024 further advances VCOSS's vision of "a Victoria free from poverty and disadvantage".

## **Directors' Report**

**30 June 2023**

### **VCOSS Strategic Plan**

Our purpose is "Wellbeing for all Victorians and their communities". VCOSS addresses this through our key areas of activity:

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

VCOSS is in constant dialogue with its sector members, people with lived experience, policymakers, and other experts to develop smart and workable policy approaches that will make Victoria a better place to live.

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 work towards bringing our vision to life with the development of the 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 2023 the collective liability of members was \$ 5,300 (2022: \$ 6,120).

### **Company secretary**

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

### **Events after reporting date**

Emma King announced she would be stepping down from her role as CEO and Company Secretary of VCOSS after more than 10 years in the role. Emma will continue in her role until early September and Juanita Pope will be stepping in from 29 August 2023 as the Interim CEO until a permanent replacement is engaged.

## Directors' Report

30 June 2023

### Meetings of directors

During the financial year, 15 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
Damian Ferrie	7	7	2	2
Sue Woodward	3	3	-	-
Simon Trivett	3	3	6	6
Vicki Sutton	7	5	10	8
Stefan Gruenert	7	7	-	-
Chris Christoforou	7	7	-	-
Sue White	7	6	10	9
Nyangak (Lizzy) Kuoth	7	4	-	-
Jill Gallagher	7	3	-	-
Juanita Pope	3	3	-	-
Ruth Wong	2	2	4	2

### Information on directors

Damian Ferrie

President

Qualifications

Bachelor of Theology, Graduate Diploma in Conflict Resolution, Master of Applied Science (Social Ecology), ANZSOG Executive Fellows Program, Graduate of several leadership programs at Judge Business School Cambridge, MAICD

Experience

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

Chair of Mental Health Victoria Board

Deputy Chair North Western Melbourne PHN

Chief Executive Officer, Better Health Network (BHN)

Damian Ferrie has held executive leadership roles in health, housing and Urban Renewal within the public and not-for-profit sectors. His career has been focused on tackling social, economic and health equity.

Damian leads a newly merged organisation – Better Health Network - which brought together 3 Community Health Services in the South Eastern Region of Melbourne. His work is focused on prevention, harm reduction and primary health. He has initiated many place-based interventions to build community capacity through partnerships with community, government and the for purpose sectors.

## Directors' Report

30 June 2023

### Information on directors

Jill Gallagher AO

#### Qualifications

#### Experience

VCOSS Deputy President

Archaeology (La Trobe University); Management/Leadership programs

Jill Gallagher AO is a Gunditjmara woman from Western Victoria who has worked within, led and advocated for the Aboriginal and Torres Strait Islander community in Victoria for all her life. Jill is a highly respected leader who has dedicated her life to advocating for self-determination outcomes on behalf of the Aboriginal and Torres Strait Islander community.

Jill is the CEO of the Victorian Aboriginal Community Controlled Health Organisation where she has spent the past 26 years advancing Aboriginal health and wellbeing.

Jill was recognised for her outstanding contribution to community when she was inducted into the Victorian Honour Roll of Women in 2009, awarded the Order of Australia in 2013, and inducted into the Victorian Aboriginal Honour Roll in 2015.

Jill was also closely involved in leading the Victorian journey to treaty serving as Victoria's Treaty Advancement Commissioner from 2017 to 2019.

Jill was recognised of her unwavering commitment to advancing Aboriginal health and wellbeing when she received the degree of Doctor of Laws Honoris Causa by the University of Melbourne in 2023.

Vicki Sutton

#### Qualifications

#### Experience

VCOSS Treasurer and Chair of the Finance, Audit and Risk Committee

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

Board member since 2017.

Vicki has been Chief Executive Officer of Melbourne City Mission MCM since 2016. MCM provides a broad range of community services including disability, homelessness, family services, justice, education, early years and community palliative care. Vicki has a breadth of experience spanning commercial and for purpose organisations in senior executive roles supporting transformational change in complex and challenging environments.

Vicki is an experienced board director (community health, environment and superannuation). Vicki is also on the board of ACOSS.

## **Directors' Report**

**30 June 2023**

### Information on directors

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, 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, sits on numerous advisory committees and has contributed to International Drug Policy (United Nations in Vienna, 2008). Co-authored 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 Yoorrook 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.

Sue White

#### Qualifications

RN Master Public Health Monash, Graduate AICD

#### Experience

Board member since May 2021, and member of the Finance Audit and Risk Committee.

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. Her career has been fully focused on understanding and supporting communities experiencing disadvantage – including senior roles in health, homelessness, community services and international development.

## Directors' Report

30 June 2023

### Information on directors

Nyangak (Lizzy) Kuoth

Qualifications

Experience

Advance Diploma of Justice, HolmesIgen Institute

Board member since October 2021.

As one of the new appointees to the Victorian Multicultural Commissioner, Lizzy Kuoth brings her perspectives from the intersection of economics, youth development, diversity and inclusion. As a child Lizzy fled war-torn South Sudan with her grandmother and three younger brothers, and spent four years in Egypt before arriving in Melbourne in 2005. Informed by these experiences, Lizzy brings a voice of cross-cultural wisdom and courage to her work, with which she aims to inspire others. Lizzy is currently studying Business with a major in economics at Swinburne University.

Juanita Pope

Qualifications

Experience

Bachelor of Arts, LLB (Hons), University of Melbourne

Board members from January 2023 - August 2023

Juanita is a lawyer, consultant and advocate specialising in not-for-profit law and governance. Admitted to legal practice in 2005, Juanita has held a range of senior leadership roles with Australian charities including nine years as Head of Not-for-profit Law at Justice Connect and as General Counsel and Company Secretary at The Sunrise Project. She recently founded Trelliswork, a boutique consulting and advisory practice.

Ruth Wong

Qualifications

Experience

BA Accounting & Finance, Chartered Accountant Australia and New Zealand

Board member since February 2023, and member of the Finance Audit and Risk Committee.

Ruth specialises in financial accounting with a significant part of her career spent in external audit. She has experience with a wide range of organisations of various sizes including for-profit and not-for-profit. Ruth has a focus on strong financial management and strategic thinking to provide trusted advice to both executive leadership teams and boards.

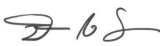



Directors' Report  
30 June 2023

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 2023 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:  .....  
Damian Ferrie

 .....  
Treasurer: .....  
Vicki Sutton

Dated 6 September 2023

## 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 2023, 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

6 September 2023

## Statement of Profit or Loss and Other Comprehensive Income

### For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	2	4,222,075	4,994,415
Employee benefits expense		(1,707,512)	(1,671,381)
Occupancy expenses		(154,545)	(22,406)
Publication expenses		(30,357)	(25,756)
Investment expenses		(41,106)	(44,510)
Other operating and administration expenses		(524,930)	(517,933)
Project expenses		(1,598,725)	(2,331,122)
Finance costs		(1,024)	(9,245)
<b>Surplus from operating activities</b>		<b>163,876</b>	<b>372,062</b>
Interest - investment	2	9,528	1,273
<b>Surplus for the year</b>		<b>173,404</b>	<b>373,335</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net fair value movements for financial assets		501,105	(719,373)
Realised gains/(losses) on disposal of financial assets		(25,999)	(47,811)
Other comprehensive income for the year		475,106	(767,184)
<b>Total comprehensive income for the year</b>		<b>648,510</b>	<b>(393,849)</b>

## Statement of Financial Position

### As At 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	3,190,490	2,801,352
Trade and other receivables	5	136,256	122,367
<b>TOTAL CURRENT ASSETS</b>		<b>3,326,746</b>	<b>2,923,719</b>
<b>NON-CURRENT ASSETS</b>			
Right-of-use assets	9	-	110,624
Financial assets	6	4,928,243	4,372,472
Property, plant and equipment	7	26,335	47,528
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,954,578</b>	<b>4,530,624</b>
<b>TOTAL ASSETS</b>		<b>8,281,324</b>	<b>7,454,343</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	358,631	379,082
Short-term provisions	11	189,000	87,520
Employee benefits	13	367,343	392,069
Other liabilities	12	1,001,592	785,838
Lease liabilities	9	-	121,386
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,916,566</b>	<b>1,765,895</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	13	47,529	19,729
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>47,529</b>	<b>19,729</b>
<b>TOTAL LIABILITIES</b>		<b>1,964,095</b>	<b>1,785,624</b>
<b>NET ASSETS</b>		<b>6,317,229</b>	<b>5,668,719</b>
<b>EQUITY</b>			
Reserves	14	927,622	416,989
Retained earnings		5,389,607	5,251,730
<b>TOTAL EQUITY</b>		<b>6,317,229</b>	<b>5,668,719</b>

## Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Earnings	Bequest Reserve	Financial Asset Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>5,251,730</b>	<b>375,321</b>	<b>41,668</b>	<b>5,668,719</b>
Surplus for the year	173,404	-	-	173,404
Transfer of bequest income to reserve	(9,528)	9,528	-	-
Net fair value movements for financial assets	-	-	501,105	501,105
Realised gains/(losses) on disposal of financial assets	(25,999)	-	-	(25,999)
<b>Balance at 30 June 2023</b>	<b>5,389,607</b>	<b>384,849</b>	<b>542,773</b>	<b>6,317,229</b>

2022

	Retained Earnings	Bequest Reserve	Financial Asset Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>4,927,479</b>	<b>374,048</b>	<b>761,041</b>	<b>6,062,568</b>
Surplus for the year	373,335	-	-	373,335
Transfer of bequest income to reserve	(1,273)	1,273	-	-
Net fair value movements for financial assets	-	-	(719,373)	(719,373)
Realised gains/(losses) on disposal of financial assets	(47,811)	-	-	(47,811)
<b>Balance at 30 June 2022</b>	<b>5,251,730</b>	<b>375,321</b>	<b>41,668</b>	<b>5,668,719</b>

## Statement of Cash Flows

### For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from government grants and community services		4,750,463	3,768,445
Payments to suppliers and employees		(4,356,451)	(4,957,908)
Dividends received		139,441	124,968
Interest received		55,477	6,433
Interest received related to bequest reserve		9,528	1,273
Interest paid on lease liabilities		(1,024)	(9,245)
Net cash provided by/(used in) operating activities		<u>597,434</u>	<u>(1,066,034)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for property, plant and equipment		(6,245)	(21,817)
Net purchase of financial assets		<u>(80,665)</u>	<u>(59,488)</u>
Net cash used by investing activities		<u>(86,910)</u>	<u>(81,305)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payment of lease liabilities		<u>(121,386)</u>	<u>(234,829)</u>
Net cash used by financing activities		<u>(121,386)</u>	<u>(234,829)</u>
Net increase/(decrease) in cash and cash equivalents held		389,138	(1,382,168)
Cash and cash equivalents at beginning of year		<u>2,801,352</u>	<u>4,183,520</u>
Cash and cash equivalents at end of financial year	4	<u><u>3,190,490</u></u>	<u><u>2,801,352</u></u>

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

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 - Simplified Disclosures 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 2023

#### 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.

###### Lessee accounting



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 1 Summary of Significant Accounting Policies

##### (d) Leases

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 2023

#### 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
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 2023**

#### **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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Revenue

	2023 \$	2022 \$
Operating revenue		
- Member subscriptions	618,875	514,789
- Interest income	55,477	6,433
- Dividend income	139,441	124,968
- Government operational funding	1,260,918	1,214,384
- Project revenue	2,106,794	3,097,375
- Other revenue from services	40,570	36,466
<b>Total operating revenue</b>	<b>4,222,075</b>	<b>4,994,415</b>
Bequest revenue		
- Interest income	9,528	1,273

#### 3 Result for the Year

The result for the year includes the following specific expenses:

Employment expenses		
Core operational management	1,707,512	1,671,381
Project employment expenses	1,282,593	1,254,461
<b>Total employment expenses</b>	<b>2,990,105</b>	<b>2,925,842</b>
Depreciation expenses		
Depreciation - right of use assets	110,624	221,247
Depreciation - plant & equipment	27,438	25,643
<b>Total depreciation</b>	<b>138,062</b>	<b>246,890</b>
Auditors remuneration for audit of financial statements	17,150	16,500

#### 4 Cash and Cash Equivalents

Cash at bank and on hand	433,810	580,027
Deposits at call	2,756,680	2,221,325
<b>Total</b>	<b>3,190,490</b>	<b>2,801,352</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 5 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	51,354	86,976
Prepayments	58,382	33,402
Accrued income	26,520	1,989
	<u>136,256</u>	<u>122,367</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>4,928,243</u>	<u>4,372,472</u>

#### 7 Property, plant and equipment

Plant and equipment		
At cost	168,164	161,919
Accumulated depreciation	<u>(141,829)</u>	<u>(114,391)</u>
Total plant and equipment	<u>26,335</u>	<u>47,528</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
	\$	\$
<b>Year ended 30 June 2023</b>		
Balance at the beginning of year	47,528	47,528
Additions	6,245	6,245
Depreciation expense	<u>(27,438)</u>	<u>(27,438)</u>
<b>Balance at the end of the year</b>	<u>26,335</u>	<u>26,335</u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 8 Other Assets

	2023 \$	2022 \$
CURRENT		
Restoration costs	-	80,346
Less accumulated amortisation	-	(80,346)
	-	-

#### 9 Leases

##### Right-of-use assets

	Buildings \$	Total \$
<b>Year ended 30 June 2023</b>		
Balance at beginning of year	110,624	110,624
Depreciation charge	(110,624)	(110,624)
<b>Balance at end of year</b>	-	-

	Buildings \$	Total \$
<b>Year ended 30 June 2022</b>		
Impact of initial adoption of AASB 16 Leases	774,364	774,364
Depreciation charge	(663,740)	(663,740)
<b>Balance at end of year</b>	110,624	110,624

##### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
<b>2023</b>					
Lease liabilities	-	-	-	-	-
<b>2022</b>					
Lease liabilities	123,781	-	-	123,781	121,386

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 9 Leases

##### Lease liabilities

	2023	2022
	\$	\$
Lease liabilities - current	-	121,386

##### 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	(1,024)	(9,245)
Depreciation of right-of-use assets	(110,624)	(221,247)
	<u>(111,648)</u>	<u>(230,492)</u>

#### 10 Trade and Other Payables

Current		
Trade payables	53,282	59,004
GST payable	70,732	39,720
Sundry payables and accrued expenses	234,617	280,358
	<u>358,631</u>	<u>379,082</u>

#### 11 Provisions

CURRENT		
Lease related provisions	189,000	87,520

#### 12 Other Liabilities

CURRENT		
Contract obligations	801,284	621,948
Subscriptions received in advance	200,308	163,890
	<u>1,001,592</u>	<u>785,838</u>

#### 13 Employee Benefits

Current liabilities		
Long service leave	126,979	101,546
Annual leave	240,364	290,523
	<u>367,343</u>	<u>392,069</u>
Non-current liabilities		
Long service leave	47,529	19,729

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **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 (2022: \$ Nil) of the reserve was utilised for research purposes.

#### **15 Key Management Personnel Remuneration**

The total remuneration paid to key management personnel of the Company was \$ 492,814 (2022: \$ 477,494).

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. 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 2023, the bank guarantees aggregate to \$50,000 (2022: \$ 50,000).

#### **17 Related Parties**

##### **(a) The Company's main related parties are as follows:**

Key management personnel - refer to Note 15.

The company has determined there are no other related parties.

#### **18 Events after the end of the Reporting Period**

The financial report was authorised for issue on 6 September 2023 by the Board.

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.



## **Victorian Council of Social Service**

ABN: 23 005 014 988

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **19 Statutory Information**

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

VCOSS

Level 8, 128 Exhibition Street


Melbourne Vic 3000


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 - 23, are in accordance with the *Australian Charities and Not-for profits Commission Act 2012* and:
  - (a) comply with Australian Accounting Standards - Simplified Disclosures 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 2023 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 .....  
Vicki Sutton

Dated 6 September 2023

## Victorian Council of Social Service

# 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 financial report of Victorian Council of Social Service (the Company), which comprises the statement of financial position as at 30 June 2023, 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 entities' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Australian Accounting Standards - Simplified Disclosures 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 2023 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 and the Australian Accounting Standards - Simplified Disclosures.

### 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 2023.

Our opinion on the financial report comprises the statement of financial position as at 30 June 2023, 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 and 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 Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 the directors either intend to liquidate the Company or to cease operations, or have 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

6 September 2023