

Tasmanian Council of Social Service Inc.

Financial Statements

For the Year Ended 30 June 2022

Tasmanian Council of Social Service Inc.

Financial Statements

For the Year Ended 30 June 2022

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Tasmanian Council of Social Service Inc.

ABN: 69 078 846 944
Address: Level 3, 86 Murray Street, HOBART
Phone: 03 6231 0755
Website: www.tascoss.org.au

Tasmanian Council of Social Service Inc.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue			
Grants and project funding	8	1,955,209	1,684,203
Sponsorship, events and workshops		102,996	41,909
Consulting Income		3,600	-
Membership Subscriptions		78,008	68,122
Interest income		2,696	2,330
Other income		7,301	63,206
		<u>2,149,810</u>	<u>1,859,770</u>
Expenses			
Employee benefits		1,749,908	1,439,348
Consulting and professional fees		103,681	128,890
Conferences, functions and events		78,379	41,177
Occupancy expenses		19,163	25,017
Communications and technology		32,432	34,542
Travel and vehicle expenses		15,914	16,929
Interest		7,258	8,848
Depreciation		69,667	79,703
Administrative and other expenses		65,144	62,413
		<u>2,141,546</u>	<u>1,836,867</u>
Net surplus/(deficit)		8,264	22,903
Other comprehensive income		-	-
Total comprehensive income for the year		<u>8,264</u>	<u>22,903</u>

The accompanying notes form part of these financial statements.

Tasmanian Council of Social Service Inc.
Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	2,084,255	1,367,297
Trade and other receivables	4	28,270	52,878
Accrued Income		-	15,000
Prepayments		42,171	17,776
Total current assets		2,154,696	1,452,951
Non-current assets			
Property, plant and equipment	6	34,864	28,625
Financial assets	5	197,209	201,891
Total non-current assets		232,073	230,516
TOTAL ASSETS		2,386,769	1,683,467
LIABILITIES			
Current liabilities			
Trade and other payables	7	188,271	140,608
Unexpended funding carried forward	8	827,996	494,903
Deferred membership income		86,587	80,168
Employee benefits	9	123,644	126,150
Office Lease	13	56,318	53,130
Funds held on trust	10	310,000	-
Total current liabilities		1,592,816	894,959
Non-current liabilities			
Employee benefits	9	17,701	12,540
Office Lease	13	153,159	148,311
Total Non-current Liabilities		170,860	160,851
TOTAL LIABILITIES		1,763,676	1,055,810
NET ASSETS		623,093	627,657
EQUITY			
Reserves	11	244,025	244,025
Retained earnings		379,068	383,632
TOTAL EQUITY		623,093	627,657

The accompanying notes form part of these financial statements.

Tasmanian Council of Social Service Inc.

Statement of Changes in Equity

For the Year Ended 30 June 2022

	Note	Retained Earnings \$	Conference Reserve \$	FFS Earnings \$	Funding Reserves \$	Total \$
2021						
Balance at 1 July 2020		324,515	65,413	63,828	150,998	604,754
Net surplus/(deficit)		22,903	-	-	-	22,903
Transfer of earnings from funding activities		25,634	-	-	(25,634)	-
Transfer of earnings from conference activities		10,580	(10,580)	-	-	-
Balance at 30 June 2021		383,632	54,833	63,828	125,364	627,657

	Note	Retained Earnings \$	Conference Reserve \$	FFS Earnings \$	Funding Reserves \$	Total \$
2021						
Balance at 1 July 2021		383,632	54,833	63,828	125,364	627,657
Net surplus/(deficit)		8,264	-	-	-	8,264
Transfer of earnings from funding activities		-	-	-	-	-
Trans of retained earnings re Office Lease Liability		(12,828)	-	-	-	(12,828)
Transfer of earnings from fee for service activities		-	-	-	-	-
Balance at 30 June 2022		379,068	54,833	63,828	125,364	623,093

The accompanying notes form part of these financial statements.

Tasmanian Council of Social Service Inc.

Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants and project funding received		2,570,500	1,939,273
Receipts from members and customers		197,028	197,866
Payments to suppliers		(848,635)	(243,068)
Payments to employees		(1,556,279)	(1,275,674)
Interest received		2,696	2,330
GST refunded/(remitted)		61,394	(76,868)
Net cash provided by/(used in) operating activities	12	<u>426,704</u>	<u>543,859</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition/sale of plant and equipment		(19,746)	(19,276)
Net movement in funds held on trust		310,000	(668,190)
Net cash provided by/(used in) investing activities		<u>290,254</u>	<u>(687,466)</u>
Net increase/(decrease) in cash and cash equivalents held		716,958	(143,607)
Cash and cash equivalents at beginning of year		1,367,297	1,510,904
Cash and cash equivalents at end of financial year	3	<u><u>2,084,255</u></u>	<u><u>1,367,297</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Significant Accounting Policies

(a) General information

The financial report covers Tasmanian Council of Social Service Inc. as an individual entity. Tasmanian Council of Social Service Inc. is incorporated under the *Associations Incorporation Act (Tasmania) 1964* and is a registered charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements are a special purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. Tasmanian Council of Social Service Inc. is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Revenue

Government grants and project funding contributions are initially recorded as a liability and then subsequently recognised as revenue once specific performance obligations arising under the respective contracts have been met.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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

(c) Income Tax

The association has not adopted the principles of tax-effect accounting as it is exempt from income tax under section 50-25 of the Australian Income Tax Assessment Act 1997.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Significant Accounting Policies

(d) Goods and Services Tax (GST)

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Cash

Cash includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) 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 losses.

Plant and equipment are measured on the cost basis.

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use.

(g) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

h) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the incorporated association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the incorporated association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the incorporated association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Tasmanian Council of Social Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Cash	2022 \$	2021 \$
Cash on hand	118	118
Bank balances	1,632,114	916,249
Short-term deposits	452,023	450,930
	<u>2,084,255</u>	<u>1,367,297</u>
4 Trade and Other Receivables		
Trade receivables	28,270	37,878
Grants receivable		15,000
	<u>28,270</u>	<u>52,878</u>
5 Other Financial Assets		
Right of Use Asset – Office Lease	187,209	191,891
Shares in Community 21 Ltd	10,000	10,000
	<u>197,209</u>	<u>201,891</u>
6 Property Plant and Equipment		
Furniture and fittings		
At cost	164,293	156,547
Accumulated depreciation	(139,051)	(129,213)
	<u>25,242</u>	<u>27,334</u>
Leasehold improvements		
At cost	44,029	44,029
Accumulated depreciation	(44,029)	(42,136)
	<u>-</u>	<u>1,893</u>
In House Software		
At cost	13,887	1,887
Accumulated depreciation	(4,265)	(2,489)
	<u>9,622</u>	<u>(602)</u>
Motor Vehicles		
At cost	19,428	19,428
Accumulated depreciation	(19,428)	(19,428)
	<u>-</u>	<u>-</u>
	<u>34,864</u>	<u>28,625</u>
7 Trade and Other Payables		
Trade payables	23,843	38,757
GST payable	137,464	76,069
Payroll deductions	26,964	25,782
	<u>188,271</u>	<u>140,608</u>

The accompanying notes form part of these financial statements.

Tasmanian Council of Social Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2022

8 Funding carried forward

Grant funding received by Tasmanian Council of Social Service Inc. is generally provided for the purpose of achieving specified outcomes. Where the performance obligations relating to funding received under contract has yet to be met, the unsatisfied portion is set aside as a reserve representing outstanding commitments. Tasmanian Council of Social Service Inc anticipates that the conditions attached to all amounts of funding received but not yet spent will be satisfied in accordance with the funding requirements.

	Opening balance	Funding received	Revenue recognised	Closing balance
	\$	\$	\$	\$
Direct Project Funding				
Community Sector Development	366,575	1,094,464	732,443	728,596
Innovation	-	60,000	60,000	-
Public Policy and Advocacy	127,800	118,082	146,482	99,400
	<u>494,375</u>	<u>1,300,946</u>	<u>938,925</u>	<u>827,996</u>
Core Funding – DCT	528	1,015,756	1,016,284	-
	<u>494,903</u>	<u>2,316,702</u>	<u>1,955,209</u>	<u>827,996</u>

9 Provisions

	2022	2021
	\$	\$
CURRENT		
Annual leave	115,653	106,582
Long Service Leave	7,991	19,568
	<u>123,644</u>	<u>126,150</u>
NON-CURRENT		
Annual Leave	17,701	12,540
Long Service Leave	141,345	138,690
	<u>159,046</u>	<u>151,230</u>

Tasmanian Council of Social Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Funds Held in Trust

	2022	2021
	\$	\$
Workforce Development Fund	<u>310,000</u>	-

The Workforce Development Fund has been established to deliver a coordinated, rapid boost to expand the sector's training capacity, and provide financial support to the sector to enable employees to attend accredited training.

11 Reserves

(a) Conference Reserve

2022	2021
\$	\$
54,833	54,833

The conference reserve holds surplus funds generated from the Association's biennial conferences held in previous years. These funds are utilised to meet upfront and preliminary costs incurred in organising subsequent conferences.

(b) Fee for Service Earnings

2022	2021
\$	\$
63,828	63,828

Fee for service earnings represent surplus funds generated from commercial activities of the Association, such as special project work, for which the Association is not required to fully expend all funds received. Funds generated in this way can be utilised to fund future strategic initiatives or respond to urgent sector demands where alternative sources of funding are unavailable.

Tasmanian Council of Social Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2022

(c) Funding Reserves

2022	2021
\$	\$
125,364	125,364

With the introduction of AASB 15 and AASB 1058, financial reporting for not-for-profit entities will now more closely reflect economic reality. Revenue from grants and donations will be recognised where any associated performance obligation to provide goods and services is satisfied, and not immediately upon receipt as usually occurs with current standards. If performance obligations have not been met, revenue will be allocated to the Funding Reserve.

FY 2021 year-end income in advance balances were reviewed in light of the new accounting standards (AASB 15 and AASB 1058). Funding reserve balances relate to core funding (\$70,998), FindHelpTas (\$26,677) and Hello (\$27,689).

12 Cash Flow Information

Reconciliation of cash flow from operations with net surplus

	2022	2021
	\$	\$
Net surplus/(deficit) for the year	8,264	22,903
Non-cash items included in profit		
Depreciation	69,667	79,703
Changes in assets and liabilities		
Trade and other receivables	(41,058)	58,261
Trade and other payables	47,663	47,008
Provisions	2,656	18,686
Deferred income	339,512	317,298
Net cash provided by operating activities	426,704	543,859

13 Right of Use Asset – Office Lease

	2022	2021
	\$	\$
Current Office Lease Liability	56,318	53,130
Non-Current Office Lease Liability	153,159	148,311
Total Right of Use Asset – Office Lease	209,477	201,441

AASB 16 (IFRS 16) – requires companies to bring the majority of operating leases on-balance sheet. Property and equipment leases previously recognised off-balance sheet will be accounted for as a right-of-use (ROU) asset and lease liability which will bring more transparency about a company's lease commitments and change key financial metrics such as gearing ratios, asset turnover and EBITDA.

Tasmanian Council of Social Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the incorporated association up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years

15 Contingent liabilities

Tasmanian Council of Social Service Inc had no contingent liabilities as at 30 June 2022 and 30 June 2021

16 Commitments

Tasmanian Council of Social Service Inc had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

Tasmanian Council of Social Service Inc.

Committee Declaration

For the Year Ended 30 June 2022

The committee declare that in their opinion:

- the financial statements and notes as set out on pages 1 to 13 present fairly the financial position of Tasmanian Council of Social Service Inc at 30 June 2022, and its financial performance for the year then ended.
- there are reasonable grounds to believe that Tasmanian Council of Social Service Inc is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with a resolution of the management committee:

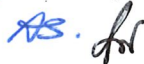
Chair


Alexander McKenzie

Treasurer


Penny Egan

Dated this ^{26th} 24 day of October 2022





Tel: +61 3 6234 2499
Fax: +61 3 6234 2392
www.bdo.com.au

Level 8, 85 Macquarie Street
Hobart TAS 7000
GPO Box 1681 Hobart TAS 7001
Australia

**DECLARATION OF INDEPENDENCE BY DAVID E PALMER TO THE DIRECTORS OF
TASMANIAN COUNCIL OF SOCIAL SERVICE INC.**

As lead auditor of Tasmanian Council of Social Service Inc. for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tasmanian Council of Social Service Inc.

DAVID E PALMER
Partner

A handwritten signature in black ink, appearing to read 'D. Palmer', written over a horizontal line.

BDO Audit (TAS)

Hobart, 8th November 2022



Tel: +61 3 6234 2499
Fax: +61 3 6234 2392
www.bdo.com.au

Level 8, 85 Macquarie Street
Hobart TAS 7000
GPO Box 1681 Hobart TAS 7001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Tasmanian Council of Social Service Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tasmanian Council of Social Service Inc. (the registered entity), which comprises the statement of financial position as at 30 June 2022, 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 report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Tasmanian Council of Social Service Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, but does not include the financial report and our auditor's report thereon.

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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of Association Incorporation Act (Tasmania) 1964, the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (TAS)

A handwritten signature in black ink, appearing to read 'D. Palmer', with a long, sweeping horizontal line extending to the right.

DAVID E PALMER
Partner

Hobart, 8th November 2022