

**Tasmanian Council of Social Service Inc.**

# **Financial Statements**

**For the Year Ended 30 June 2023**

**Tasmanian Council of Social Service Inc.**

# **Financial Statements**

**For the Year Ended 30 June 2023**

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## **Tasmanian Council of Social Service Inc.**

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**Tasmanian Council of Social Service Inc.**

**Statement of Profit or Loss and Other Comprehensive Income**

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Grants and project funding	8	2,478,963	1,955,209
Sponsorship, events and workshops		43,350	102,996
Consulting Income		11,721	3,600
Membership Subscriptions		88,746	78,008
Interest income		14,849	2,696
Other income		3,033	7,301
		<b>2,640,662</b>	<b>2,149,810</b>
<b>Expenses</b>			
Employee benefits		2,203,744	1,749,908
Consulting and professional fees		199,363	103,681
Conferences, functions and events		51,605	78,379
Occupancy expenses		63,730	19,163
Communications and technology		40,896	32,432
Travel and vehicle expenses		26,003	15,914
Interest		-	7,258
Depreciation		20,218	69,667
Administrative and other expenses		69,036	65,144
		<b>2,674,595</b>	<b>2,141,546</b>
<b>Net surplus/(deficit)</b>		<b>(33,933)</b>	<b>8,264</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(33,933)</b>	<b>8,264</b>

*The accompanying notes form part of these financial statements.*

**Tasmanian Council of Social Service Inc.**  
**Statement of Financial Position**

As at 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	1,883,878	2,084,255
Trade and other receivables	4	1,540,125	28,270
Accrued Income		5,516	-
Prepayments		23,411	42,171
<b>Total current assets</b>		<b>3,452,930</b>	<b>2,154,696</b>
<b>Non-current assets</b>			
Plant and equipment	6	88,370	34,864
Financial assets	5	-	197,209
<b>Total non-current assets</b>		<b>88,370</b>	<b>232,073</b>
<b>TOTAL ASSETS</b>		<b>3,541,300</b>	<b>2,386,769</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	278,742	188,271
Unexpended funding carried forward	8	1,922,417	827,996
Deferred membership income		95,146	86,587
Employee benefits	9	154,157	123,644
Office Lease	13	-	56,318
Funds held on trust	10	471,637	310,000
<b>Total current liabilities</b>		<b>2,922,099</b>	<b>1,592,816</b>
<b>Non-current liabilities</b>			
Employee benefits	9	30,041	17,701
Office Lease	13	-	153,159
<b>Total Non-current Liabilities</b>		<b>30,041</b>	<b>170,860</b>
<b>TOTAL LIABILITIES</b>		<b>2,952,140</b>	<b>1,763,676</b>
<b>NET ASSETS</b>		<b>589,160</b>	<b>623,093</b>
<b>EQUITY</b>			
Reserves		-	244,025
Retained earnings		589,160	379,068
<b>TOTAL EQUITY</b>		<b>589,160</b>	<b>623,093</b>

*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 2023

	Note	Retained Earnings \$	Conference Reserve \$	FFS Earnings \$	Funding Reserves \$	Total \$
<b>2022</b>						
<b>Balance at 1 July 2021</b>		383,632	54,833	63,828	125,364	627,657
Net surplus/(deficit)		8,264	-		-	8,264
Transfer of retained earnings re office lease liability		(12,828)	-	-	-	(12,828)
<b>Balance at 30 June 2022</b>	<b>11</b>	<b>379,068</b>	<b>54,833</b>	<b>63,828</b>	<b>125,364</b>	<b>623,093</b>

	Note	Retained Earnings \$	Conference Reserve \$	FFS Earnings \$	Funding Reserves \$	Total \$
<b>2023</b>						
<b>Balance at 1 July 2022</b>		379,068	54,833	63,828	125,364	623,093
Net surplus/(deficit)		(33,933)	-	-	-	(33,933)
Transfer of reserves to retained earnings		244,025	(54,833)	(63,828)	(125,364)	-
<b>Balance at 30 June 2023</b>	<b>11</b>	<b>589,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>589,160</b>

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

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Grants and project funding received	2,100,914	2,570,500
Receipts from members and customers	116,024	258,422
Payments to suppliers	(148,597)	(848,635)
Payments to employees	(2,353,696)	(1,556,279)
Interest received	9,333	2,696
Net cash provided by/(used in) operating activities	12 <u>(276,022)</u>	<u>426,704</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition/sale of plant and equipment	(73,724)	(19,746)
Net movement in funds to investments (shares)	10,000	-
Net movement in funds held on trust	161,637	310,000
Net cash provided by/(used in) investing activities	<u>97,913</u>	<u>290,254</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease repayments	(22,268)	-
Net cash provided by/(used in) financing activities	<u>(22,268)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(200,377)	716,958
Cash and cash equivalents at beginning of year	2,084,255	1,367,297
Cash and cash equivalents at end of financial year	3 <u>1,883,878</u>	<u>2,084,255</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

### 1 Significant Accounting Policies

#### (a) General information

The financial report covers Tasmanian Council of Social Service Inc. (the Association) 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.

*The accompanying notes form part of these financial statements.*

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 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) Plant and Equipment

Each class of 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 2023**

### **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.

#### **Estimation of useful lives of assets**

The 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.

#### **Comparative amounts**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**Tasmanian Council of Social Service Inc.**

**Notes to the Financial Statements**

For the Year Ended 30 June 2023

**3 Cash**

	<b>2023</b>	<b>2022</b>
	\$	\$
Cash on hand	118	118
Bank balances	1,129,380	1,632,114
Short-term deposits	754,380	452,023
	<u>1,883,878</u>	<u>2,084,255</u>

**4 Trade and Other Receivables**

Trade receivables	67,655	28,270
Grants receivable	1,472,470	-
	<u>1,540,125</u>	<u>28,270</u>

**5 Other Financial Assets**

Right of Use Asset – Office Lease	-	187,209
Shares in Community 21 Ltd	-	10,000
	<u>-</u>	<u>197,209</u>

**6 Property Plant and Equipment**

Furniture and fittings		
At cost	167,308	164,293
Accumulated depreciation	(142,143)	(139,051)
	<u>25,165</u>	<u>25,242</u>
Leasehold improvements		
At cost	43,647	44,029
Accumulated depreciation	(43,647)	(44,029)
	<u>-</u>	<u>-</u>
In House Software		
At cost	47,478	13,887
Accumulated depreciation	(12,211)	(4,265)
	<u>35,267</u>	<u>9,622</u>
Motor Vehicles		
At cost	49,747	19,428
Accumulated depreciation	(21,809)	(19,428)
	<u>27,938</u>	<u>-</u>
	<u>88,370</u>	<u>34,864</u>

**7 Trade and Other Payables**

Trade payables	38,747	23,843
GST payable	206,473	137,464
Payroll deductions	33,522	26,964
	<u>278,742</u>	<u>188,271</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 2023

### 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 \$
<b>Direct Project Funding</b>				
Community Sector Development	728,596	1,131,189	1,025,318	834,467
Innovation	-	97,680	92,680	5,000
Public Policy and Advocacy	99,400	49,056	104,116	44,340
	<u>827,996</u>	<u>1,277,925</u>	<u>1,222,114</u>	<u>883,307</u>
Core Funding – DCT	-	2,223,630	1,185,020	1,038,610
	<u>827,996</u>	<u>3,501,555</u>	<u>2,407,134</u>	<u>1,922,417</u>

### 9 Provisions

	2023 \$	2022 \$
<b>CURRENT</b>		
Annual leave	145,971	115,653
Long Service Leave	8,186	7,991
<b>NON-CURRENT</b>		
Annual Leave	30,041	17,701
Long Service Leave	184,198	141,345

*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 2023

### 10 Funds Held in Trust

	2023	2022
	\$	\$
Smoke Free Communities	15,000	-
Workforce Development Fund	456,637	310,000
	<u>471,637</u>	<u>310,000</u>

The Smoke Free Communities Fund has been established as a community of practice (CoP), sustained to support community service organisations to change organisational culture to create supportive environments that helps clients and staff become smoke-free.

The Workforce Development fund has been established to deliver a coordinated increase to the sector's training capacity.

### 11 Reserves

	2023	2022
	\$	\$
Conference Reserve	-	54,833
FFS Earnings	-	63,828
Funding Reserves	-	125,364
	<u>-</u>	<u>244,025</u>

The Association transferred its reserves into retained earnings during the year ended 30 June 2023.

### 12 Cash Flow Information

Reconciliation of cash flow from operations with net surplus

	2023	2022
	\$	\$
Net surplus/(deficit) for the year	(33,933)	8,264
Non-cash items included in profit		
Depreciation and amortisation expense	20,218	69,667
Changes in assets and liabilities		
Trade and other receivables	(1,517,371)	(41,058)
Other assets	18,760	-
Trade and other payables	90,471	47,663
Provisions	42,853	2,656
Deferred income	1,102,980	339,512
<b>Net cash provided by operating activities</b>	<u>(276,022)</u>	<u>426,704</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 2023

	2023 \$	2022 \$
<b>13 Right of Use Asset – Office Lease</b>		
Current Office Lease Liability	-	56,318
Non-Current Office Lease Liability	-	153,159
<b>Total Right of Use Asset – Office Lease</b>	<b>-</b>	<b>209,477</b>

No long term leases (greater than 12 months) are in place at 30 June 2023.

### 14 Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 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 2023 and 30 June 2022.

### 16 Commitments

Tasmanian Council of Social Service Inc had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

**Tasmanian Council of Social Service Inc.**

**Committee Declaration**

**For the Year Ended 30 June 2023**

The committee declare that in their opinion:

- the financial statements and notes as set out on pages 1 to 11 present fairly the financial position of Tasmanian Council of Social Service Inc at 30 June 2023, 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 .....24..... day of ....October..... 2023

## Auditor's Independence Declaration to the Members of the Tasmanian Council of Social Services Inc.

In relation to our audit of the financial report of Tasmanian Council of Social Services Inc. for the financial year ended 30 June 2023, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*.

*Wise Lord & Ferguson*

WISE LORD & FERGUSON



JOANNE DOYLE

Partner

Date: 24 October 2023



## INDEPENDENT AUDITOR'S REPORT

To the members of Tasmanian Council of Social Services Inc.

Report on the Audit of the Financial Report

We have audited the financial report of the Tasmanian Council of Social Service Inc which comprises the statement of financial position as at 30 June 2023, the statement of profit and loss and other comprehensive income, statement of changes in equity and 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 financial report of the Tasmanian Council of Social Service Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2022*.

### 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 ethical requirements of the Accounting Professional & 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.

### 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.

### Responsibility of the Committee Members for the Financial Report

The committee members 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 the ACNC Act. The member's 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 members 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.

The responsible entities are responsible for overseeing the registered entity'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 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 the financial report.

As part of an audit in accordance with 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 registered entity'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 registered entity 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 responsible entities 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.

*Wise Lord & Ferguson*

WISE LORD & FERGUSON

A handwritten signature in black ink, appearing to read 'Joanne Doyle', written in a cursive style.

Joanne Doyle

Partner

Date: 24 October 2023

24 October 2023

## Report to the TasCOSS Board TasCOSS Financial Statements 2022-23

### Recommendation

That the Board endorse the Financial Statements for 2022-23 and seek approval from the membership at the Annual General Meeting on 25 October 2023.

Name	Endorsement
Alexander McKenzie, President	Agreed
Connie Digolis, Vice President	Agreed
Penny Egan, Treasurer	Agreed
Georgie Ibbott, Board Director	Agreed
Emily Briffa, Board Director	Agreed
Ann Hughes, Board Director	Agreed
Rodney Greene, Board Director	Agreed
Kathy Brown, Board Director	Agreed
Bruce Levett, Board Director	No response



Alexander McKenzie  
TasCOSS President