

Tasmanian Council of Social Service Inc.

Financial Statements

For the Year Ended 30 June 2024

Tasmanian Council of Social Service Inc.

Financial Statements

For the Year Ended 30 June 2024

Contents	<u>Page</u>
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Committee Declaration	12
Auditors' Independence Declaration	14
Independent Audit Report	14

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 2024

	Note	2024 \$	2023 \$
Revenue			
Grants and project funding		2,702,322	2,478,963
Sponsorship, events and workshops		146,392	43,350
Membership subscriptions		89,320	88,746
Interest income		53,284	14,849
Other income		11,461	14,754
		<u>3,002,779</u>	<u>2,640,662</u>
Expenses			
Employee benefits		2,103,384	2,203,744
Consulting and professional fees		443,705	199,363
Conferences, functions and events		116,305	51,605
Occupancy expenses		82,523	63,730
Communications and technology		66,897	40,896
Travel and vehicle expenses		28,231	26,003
Interest		8,585	-
Depreciation		33,607	20,218
Grant disbursements		15,000	-
Administrative and other expenses		77,219	69,036
		<u>2,975,456</u>	<u>2,674,595</u>
Net surplus/(deficit)		27,323	(33,933)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>27,323</u>	<u>(33,933)</u>

The accompanying notes form part of these financial statements.

Tasmanian Council of Social Service Inc.
Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	2,616,077	1,883,878
Trade and other receivables	4	297,133	1,540,125
Accrued income		10,798	5,516
Prepayments		39,232	23,411
Total current assets		<u>2,963,240</u>	<u>3,452,930</u>
Non-current assets			
Property, plant and equipment	6	70,224	88,370
Right-of-use asset	5	145,699	-
Total non-current assets		<u>215,923</u>	<u>88,370</u>
TOTAL ASSETS		<u>3,179,163</u>	<u>3,541,300</u>
LIABILITIES			
Current liabilities			
Trade and other payables	7	253,293	278,742
Grants received in advance	8	1,430,897	1,922,417
Deferred revenue		91,622	95,146
Employee benefits	9	156,684	154,157
Lease liability	12	59,699	-
Funds held on trust	10	440,706	471,637
Total current liabilities		<u>2,432,901</u>	<u>2,922,099</u>
Non-current liabilities			
Employee benefits	9	37,935	30,041
Lease liability	12	91,844	-
Total non-current liabilities		<u>129,779</u>	<u>30,041</u>
TOTAL LIABILITIES		<u>2,562,680</u>	<u>2,952,140</u>
NET ASSETS		<u>616,483</u>	<u>589,160</u>
EQUITY			
Retained earnings		589,160	623,093
Surplus/(deficit)		27,323	(33,933)
TOTAL EQUITY		<u>616,483</u>	<u>589,160</u>

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 2024

	Note	Retained Earnings \$	Conference Reserve \$	FFS Earnings \$	Funding Reserves \$	Total \$
2023						
Balance at 1 July 2022		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)	-
Balance at 30 June 2023		589,160	-	-	-	589,160

	Note	Retained Earnings \$	Conference Reserve \$	FFS Earnings \$	Funding Reserves \$	Total \$
2024						
Balance at 1 July 2023		589,160	-	-	-	589,160
Net surplus/(deficit)		27,323	-	-	-	27,323
Balance at 30 June 2024		616,483	-	-	-	616,483

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 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants and project funding received	2,926,523	2,100,914
Receipts from members and customers	739,489	116,024
Payments to suppliers	(856,081)	(148,597)
Payments to employees	(2,059,490)	(2,353,696)
Interest received	48,002	9,333
Net cash provided by/(used in) operating activities	11 <u>798,443</u>	<u>(276,022)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Acquisition)/sale of plant and equipment	(15,460)	(73,724)
Net movement in funds to investments (shares)	-	10,000
Net movement in funds held on trust	(15,000)	161,637
Net cash provided by/(used in) investing activities	<u>(30,460)</u>	<u>97,913</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease repayments	(35,784)	(22,268)
Net cash provided by/(used in) financing activities	<u>(35,784)</u>	<u>(22,268)</u>
Net increase/(decrease) in cash and cash equivalents held	732,199	(200,377)
Cash and cash equivalents at beginning of year	<u>1,883,878</u>	<u>2,084,255</u>
Cash and cash equivalents at end of financial year	3 <u><u>2,616,077</u></u>	<u><u>1,883,878</u></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 2024

1 Summary of Material Accounting Policy Information

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

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

The Association assesses at contract inception whether a contract is, or contains, a lease. The Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Association recognises lease liabilities to make lease payments and right-of-use assets, representing the right to use the underlying assets.

Notes to the Financial Statements

For the Year Ended 30 June 2024

i. Right-of-use-Asset

The Association recognises right-of-use-assets at the commencement date of the lease. Right-of-use-assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use-assets are amortised on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii. Lease Liability

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include penalties for terminating the lease, if the lease term reflects the Association exercising the option to terminate.

In calculating the present value of lease payments, the Association uses an incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying assets.

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.

Tasmanian Council of Social Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2024

	2024 \$	2023 \$
3 Cash and Cash Equivalents		
Cash on hand	118	118
Bank balances	1,123,893	1,129,380
Short-term deposits	1,492,066	754,380
	<u>2,616,077</u>	<u>1,883,878</u>
4 Trade and Other Receivables		
Trade receivables	297,133	67,655
Grants receivable	-	1,472,470
	<u>297,133</u>	<u>1,540,125</u>
5 Right-of-Use Asset		
Right-of-use asset – office lease	187,327	-
Accumulated amortisation	(41,628)	-
	<u>145,699</u>	<u>-</u>
6 Property, Plant and Equipment		
Furniture and fittings		
At cost	96,557	167,308
Accumulated depreciation	(73,936)	(142,143)
	<u>22,621</u>	<u>25,165</u>
Leasehold improvements		
At cost	43,647	43,647
Accumulated depreciation	(43,647)	(43,647)
	<u>-</u>	<u>-</u>
In-house software		
At cost	44,070	47,478
Accumulated depreciation	(19,352)	(12,211)
	<u>24,718</u>	<u>35,267</u>
Motor vehicles		
At cost	30,319	49,747
Accumulated depreciation	(7,434)	(21,809)
	<u>22,885</u>	<u>27,938</u>
	<u>70,224</u>	<u>88,370</u>

Tasmanian Council of Social Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2024

	2024	2023
	\$	\$
7 Trade and Other Payables		
Trade payables	116,347	38,747
GST payable	69,951	206,473
PAYG	32,538	33,522
Superannuation payable	34,457	-
	<u>253,293</u>	<u>278,742</u>

8 Unexpended 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				
Commission of Inquiry	-	670,000	100,813	569,187
Community Sector Development	834,467	1,050,379	1,223,136	661,710
Core Funding - DCT	1,038,610	41,544	1,080,154	-
Find Help Tas – Innovation Project	5,000	200,000	5,000	200,000
Public Policy and Advocacy	44,340	14,955	59,295	-
	<u>1,922,417</u>	<u>1,976,878</u>	<u>2,468,398</u>	<u>1,430,897</u>

	2024	2023
	\$	\$
9 Employee Benefits		
Current		
Annual leave	137,240	145,971
Long service leave	-	8,186
Parental leave	19,444	-
	<u>156,684</u>	<u>154,157</u>
Non-current		
Long service leave	37,935	30,041
	<u>37,935</u>	<u>30,041</u>
	<u>194,619</u>	<u>184,198</u>

Tasmanian Council of Social Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2024

	2024 \$	2023 \$
10 Funds Held in Trust		
Smoke Free Communities	-	15,000
Workforce Development Fund	440,706	456,637
	<u>440,706</u>	<u>471,637</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 Cash Flow Information

Reconciliation of cash flow from operations with net surplus

Net surplus/(deficit) for the year	27,323	(33,933)
Non-cash items included in profit		
Depreciation and amortisation expense	75,234	20,218
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	1,242,993	(1,517,371)
(Increase)/decrease in accrued income	(5,282)	-
(Increase)/decrease in other assets	(15,821)	18,760
Increase/(decrease) in trade and other payable	(9,949)	90,471
Increase/(decrease) in provisions	10,421	42,853
Increase/(decrease) in deferred income	(526,476)	1,102,980
Net cash provided by operating activities	<u>798,443</u>	<u>(276,022)</u>

Tasmanian Council of Social Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2024

	2024 \$	2023 \$
12 Lease Liability		
Current office lease liability	59,699	-
Non-current office lease liability	91,844	-
	<u>151,543</u>	<u>-</u>

13 Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 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.

14 Contingent liabilities

Tasmanian Council of Social Service Inc had no contingent liabilities as at 30 June 2024 and 30 June 2023.

15 Commitments

Tasmanian Council of Social Service Inc had no commitments for expenditure as at 30 June 2024 and 30 June 2023.

Tasmanian Council of Social Service Inc.


Committee Declaration


For the Year Ended 30 June 2024

The committee declare that in their opinion:

- the financial statements and notes as set out on pages 1 to 12 present fairly the financial position of Tasmanian Council of Social Service Inc at 30 June 2024, 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


Treasurer


Dated: 23 October 2024

Auditors' Independence Declaration to the Directors of Tasmanian Council of Social Service Inc.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

[Enter place of signing]

Tasmanian Council of Social Service Inc.

Independent Audit Report to the members of Tasmanian Council of Social Service Inc.

Report on the Financial Report

Tasmanian Council of Social Service Inc.

**Independent Audit Report to the members of
Tasmanian Council of Social Service Inc.**

[Enter place of signing]

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 2024, 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: 23 October 2024



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 (the Association) which comprises the statement of financial position as at 30 June 2024, 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 Associations' financial position as at 30 June 2024 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 Association 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 Associations' 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 Association 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 Associations' 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 Association or to cease operations, or have no realistic alternative but to do so.

The responsible entities are responsible for overseeing the Associations' 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 Associations' 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 Associations' 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 Association 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



Joanne Doyle

Partner

Date: 23 October 2024