

**COUNCIL OF SOCIAL SERVICE OF
NEW SOUTH WALES**

ACN 001 797 137

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

**COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137**

TABLE OF CONTENTS

	PAGE
Directors' Report	1 - 4
Auditor's Independence Declaration	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 21
Directors' Declaration	22
Independent Auditor's Report	23 - 25

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Your directors present this report on the Council of Social Service of New South Wales ("the Company") for the financial year ended 30 June 2017.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Davies, Tony	(Elected 16 November 2016)
Bevan, Karen	(Did not stand for re-election, departed 16 November 2016)
Crozier, Denele	(Resigned 24 October 2016)
Farrar, Adam	
Bevan, Ngila	
Waterford, Eamon	
Michaels, Cecily	
Gallen, Benedict	
Brungs, Marianna	
Cohen, Gillian	
Checkley, Kellie	
Truong, Christine	
Carblis, Ben	(Elected 16 November 2016)
McCaffrey, Suellen	(Elected 16 November 2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Farrar, Adam

Objectives (Short-Term and Long-Term)

The Company advocates with and for people experiencing poverty and disadvantage and the community sector, and provides an independent voice on social and economic policy issues and reforms and is the major co-ordinator for non-government social and community services in NSW. The Company acts as a channel for consultation with government and between parts of the non-government sector with common interests and diverse functions.

The Company also provides and facilitates organisational development services and products designed to improve the effectiveness and viability of not-for-profit human services organisations.

Principal Activities

The Company acted during the course of the financial year, as the major coordinator of non-government welfare and various community sector organisations in New South Wales.

Key Performance Measures

The Company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the Company and whether the Company's short-term and long-term objectives are being achieved.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Information on Directors

Tony Davies	President
Qualifications:	BA LLB (Hons 1st Class), Macquarie University, Diploma of Legal Practice, College of Law
Experience:	Elected 16 November 2016
Special Responsibilities:	Member of the Management and Finance Committee. Chair of the Human Resources Committee. NCOSS representative to the ACOSS Board
Karen Bevan	President
Qualifications:	BA Communications (CSU) (1990), Master - Legal Studies (UNSW)
Experience:	Board member since 2009, (Did not stand for re-election, departed 16 November 2016)
Special Responsibilities:	Chair of Human Resources and Board Nominations Subcommittees, Member of Management & Finance Subcommittee
Denele Crozier	Director, elected as Vice President on 16 November 2015
Qualifications:	Diploma of Accounting, Diploma of Business, RPN, 30 years working in community sector
Experience:	Board member since 2003, Resigned 24 October 2016
Special Responsibilities:	Member of Human Resources Subcommittee
Adam Farrar	Vice President
Qualifications:	BA (hons); MA (qual), Drama, Philosophy, MA (hons), Philosophy
Experience:	Board member since November 2014
Special Responsibilities:	Company Secretary and Chair of Risk and Compliance Subcommittee
Ngila Bevan	Director
Qualifications:	BscEcon, MscEcon, International relations and security studies, LLB & BVC, Barrister
Experience:	Board member since November 2014
Special Responsibilities:	Member of Risk and Compliance Subcommittee
Eamon Waterford	Director
Qualifications:	Bachelor, International Studies (Globalisation Studies); Masters of Political Economy
Experience:	Board member since November 2014
Special Responsibilities:	Member of Management and Finance Subcommittee
Cecily Michaels	Vice President
Qualifications:	Bachelor of Music in Education, Masters of Arts (Development and Community Organisation), Masters of Public Health
Experience:	Board member since November 2014
Special Responsibilities:	Member of Human Resources Subcommittee (resigned 5 December 2016)
Ben Gallen	Director
Qualifications:	Bachelor of Arts, Griffith University Master of Arts, Monash University
Experience:	Board member since 2015
Special Responsibilities:	Member of Risk and Compliance Subcommittee

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Information on Directors (Continued)

Marianna Brungs	Director
Qualifications:	Bachelor of Science/Law (USYD), MPhil, Development Studies University of Cambridge
Experience:	Board member since November 2015
Special Responsibilities:	Member of Management and Finance Subcommittee
Gillian Cohen	Director
Qualifications:	Bachelor of Applied Science, University of Technology Sydney Master of Public Health, Sydney University
Experience:	Board member since 2015
Special Responsibilities:	Member of Risk and Compliance Subcommittee (resigned 5 December 2016), Appointed to Human Resources Subcommittee on from 5 December 2016
Kellie Checkley	Director
Qualifications:	Bachelor of Social Science, Charles Sturt University
Experience:	Board member since 2015
Special Responsibilities:	Member of Human Resources Subcommittee
Christine Truong	Director
Qualifications:	Bachelor of Business (Accounting), University of Western Sydney
Experience:	Board member since June 2016
Special Responsibilities:	Treasurer, Chair of Management and Finance Subcommittee
Ben Carblis	Director
Qualifications:	Master of Adult Education, Diploma of Education, Bachelor of Arts
Experience:	Elected 16 November 2016
Special Responsibilities:	Member of Risk and Compliance Committee
Suellen McCaffrey	Director
Qualifications:	Bachelor of Science (Psychology, Hons), Registered Psychologist, CAHRI
Experience:	Elected 16 November 2016
Special Responsibilities:	Member of Human Resources Committee

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Meetings of Directors

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows :

	No. Eligible to attend	No. Attended
Tony Davies	4	4
Karen Bevan	3	3
Denele Crozier	3	3
Adam Farrar	7	6
Ngila Bevan	7	5
Eamon Waterford	7	6
Cecily Michaels	7	5
Ben Gallen	7	6
Marianna Brungs	7	5
Gillian Cohen	7	5
Kellie Checkley	7	6
Christine Truong	7	4
Ben Carblis	4	3
Suellen McCaffrey	4	4

Member Contributions

The Company is incorporated under the *Corporations Act 2001* and is limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Tony Davies

President

Dated in Sydney, this 25th day of September 2017

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE RESPONSIBLE ENTITIES' OF COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ABN 85 001 797 137**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- i. the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

25 September 2017

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	2	3,174,519	2,292,773
Other income	2	106,401	53,414
Expenses:			
Administration expenses		(111,970)	(106,739)
Conference expenses		(37,073)	(73,962)
Consultants expense		(316,080)	(160,473)
Depreciation and amortisation expense		(167,914)	(161,025)
Employee benefits expenses		(1,708,883)	(1,431,175)
Insurance expense		(19,149)	(24,253)
Office overheads expense		(18,078)	(17,942)
Premises expenses		(58,050)	(61,144)
Rental expenses	3	(165,940)	(163,901)
Travel expenses		(121,657)	(62,525)
Unrealised gains \ (loss) on financial assets held at fair value through profit or loss		41,089	(28,058)
Other expenses		(240,132)	(120,640)
Surplus/(Deficit) for the year		357,083	(65,650)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		357,083	(65,650)

The accompanying notes form part of these financial statements.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,914,775	2,747,086
Trade and other receivables	5	233,999	120,559
Financial assets	7	948,514	707,009
Other current assets	6	55,774	33,616
TOTAL CURRENT ASSETS		<u>3,153,062</u>	<u>3,608,270</u>
NON-CURRENT ASSETS			
Financial assets	7	20,000	20,000
Plant and equipment	8	392,793	518,841
Other assets	6	47,087	45,122
TOTAL NON-CURRENT ASSETS		<u>459,880</u>	<u>583,963</u>
TOTAL ASSETS		<u>3,612,942</u>	<u>4,192,233</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,680,899	2,601,659
TOTAL CURRENT LIABILITIES		<u>1,680,899</u>	<u>2,601,659</u>
NON-CURRENT LIABILITIES			
Provisions	10	120,470	136,084
TOTAL NON-CURRENT LIABILITIES		<u>120,470</u>	<u>136,084</u>
TOTAL LIABILITIES		<u>1,801,369</u>	<u>2,737,743</u>
NET ASSETS		<u>1,811,573</u>	<u>1,454,490</u>
EQUITY			
Accumulated surplus		1,811,573	1,454,490
TOTAL EQUITY		<u>1,811,573</u>	<u>1,454,490</u>

The accompanying notes form part of these financial statements.

**COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Accumulated Surplus \$	Total \$
Balance at 1 July 2015	1,520,140	1,520,140
Comprehensive income:		
Deficit for the year	(65,650)	(65,650)
Other comprehensive income	-	-
	<u>(65,650)</u>	<u>(65,650)</u>
Balance at 30 June 2016	1,454,490	1,454,490
Comprehensive income:		
Surplus for the year	357,083	357,083
Other comprehensive income	-	-
	<u>357,083</u>	<u>357,083</u>
Balance at 30 June 2017	<u>1,811,573</u>	<u>1,811,573</u>

The accompanying notes form part of these financial statements.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		1,614,484	3,253,818
Membership, services and other receipts		908,972	884,514
Payments to suppliers and employees		(3,217,921)	(2,283,572)
Net cash (used in)/provided by operating activities		<u>(694,465)</u>	<u>1,854,760</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		66,556	9,363
Dividends received		39,845	43,881
Purchases of financial assets		(285,289)	(82,186)
Proceeds from sale of financial assets		84,873	13,166
Payment for plant and equipment		(41,866)	(23,393)
Increase in other non-current assets		(1,965)	(1,881)
Net cash provided by/(used in) investing activities		<u>(137,846)</u>	<u>(41,050)</u>
Net (decrease)/increase in cash held		(832,311)	1,813,710
Cash and cash equivalents at the beginning of the year		<u>2,747,086</u>	<u>933,376</u>
Cash and cash equivalents at the end of the year	4	<u><u>1,914,775</u></u>	<u><u>2,747,086</u></u>

The accompanying notes form part of these financial statements.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the Council of Social Service of New South Wales ("the Company") as an individual entity incorporated and domiciled in Australia. The Company is limited by guarantee.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), other authoritative pronouncements of the AASB and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, 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 amounts presented in the financial statements have been rounded to nearest dollar.

The financial statements were authorised for issue on **25 September 2017** by the directors of the Company.

Accounting Policies

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income 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 conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied (grants in advance).

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability (unearned grants) until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

When grant revenue is received and all obligations to which it relates have been completed and a surplus exists which under the term of the grant is refundable pending approval for other use the surplus revenue is recognised in the statement of financial position as a liability (grant in trust).

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

Membership revenue is recognised when the membership is purchased.

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

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Useful Life
Computers	11.25%-50%
Administration equipment	11.25%-50%
Office furniture	7.5%-15%
Lease improvements	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Leases

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (continued)

(iii) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment of Assets (continued)

Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Employee Provisions

Short-term employee provisions

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be wholly settled within 12 months after the end of the annual reporting period are measured at the (undiscounted) amounts expected to be paid when the liabilities are settled. The Company's provision for annual leave is recognised as part of trade and other payables in the statement of financial position.

Other long-term employee provisions

The liabilities for annual leave and long service leave not expected to be settled wholly within 12 months after the end of the annual reporting period date in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 high quality Australian corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss in the period of the remeasurement. The Company's provision for long service leave is recognised as provisions in the statement of financial position.

(g) Cash and Cash Equivalents

Cash and cash equivalents include 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.

(h) Trade and Other Receivables

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Trade and other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Trade and Other Receivables (continued)

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

(i) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under *Div 50 of the Income Tax Assessment Act 1997*.

(k) Provisions

Provisions are recognised when the entity 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 reporting period.

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Comparative Figures

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

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates - Impairment

Directors have concluded that assumptions remain materially unchanged, and are satisfied that carrying value of the fixed assets does not exceed the economic benefit at 30 June 2017.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (o) New, Revised or Amending Accounting Standards and Interpretations Adopted**
The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting year.

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

	2017	2016
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
(a) Revenue from (non-reciprocal) government grants and other grants		
State/Federal government grants	2,265,915	1,591,252
Membership	356,647	290,043
Service (including web jobs conference and commission)	551,957	411,478
Total revenue	<u>3,174,519</u>	<u>2,292,773</u>
(b) Other Income		
Interest	66,556	9,363
Dividends	31,274	38,114
Other income	8,571	5,937
Total other income	<u>106,401</u>	<u>53,414</u>
Total revenue and other income	<u><u>3,280,920</u></u>	<u><u>2,346,187</u></u>

NOTE 3: EXPENSES

(a) Expenses		
Rental expense on operating leases:		
- Minimum office lease payments	<u>165,940</u>	<u>163,901</u>
Superannuation:		
- Defined contribution superannuation expense	<u>138,766</u>	<u>119,598</u>

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank - unrestricted	1,914,310	2,745,910
Cash float	465	1,176
Total cash and cash equivalents as stated in the statement of financial position	<u><u>1,914,775</u></u>	<u><u>2,747,086</u></u>
Total cash and cash equivalents as stated in the statement of cash flows	<u><u>1,914,775</u></u>	<u><u>2,747,086</u></u>

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 5: TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	228,092	113,340
Other receivables	5,907	7,219
	<u>233,999</u>	<u>120,559</u>
Total trade and other receivables	<u>233,999</u>	<u>120,559</u>
NOTE 6: OTHER ASSETS		
CURRENT		
Prepayments	55,774	33,616
Total Other Current Assets	<u>55,774</u>	<u>33,616</u>
NON-CURRENT		
Lease guarantee deposit	47,087	45,122
Total Other Non-Current Assets	<u>47,087</u>	<u>45,122</u>
NOTE 7: FINANCIAL ASSETS		
CURRENT		
Held at fair value through profit or loss		
- Listed hybrids	(a) 171,580	217,688
- Equity securities	(b) 521,645	489,321
	<u>693,225</u>	<u>707,009</u>
- Held to maturity investments	(c) 255,289	-
	<u>255,289</u>	<u>-</u>
NON-CURRENT		
Available-for-sale financial assets		
- Unlisted equity securities	(d) 20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Total Financial Assets	<u>968,514</u>	<u>727,009</u>

(a) Listed hybrids

These financial assets are represented by investments in fixed income instruments listed on the Australian Securities Exchange.

(b) Equity securities

These financial assets are represented by investments in Australian managed funds and international exchange traded funds.

(c) Held to maturity investment

These financial assets are represented by investments term deposit accounts that have original maturities of more than three months.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7: FINANCIAL ASSETS (CONTINUED)

(d) Unlisted equity securities

The financial asset is represented by Shares in Community 21 Limited which have been recorded at cost. Community 21 Limited was formed to fund the establishment of a community sector bank which would provide lower cost banking services and other financing opportunities to community based organisations. The investment represents an ultimate 2.5% share of Community Sector Banking. Bendigo Bank Ltd is a 50% shareholder in Community Sector Banking.

Based on a prospectus dated 14 August 2014, the investment in Community 21 Ltd was valued at \$100,000. Given the non liquid nature (non listed) and purpose of the original investment, the directors have elected to carry the investment at cost.

	2017	2016
	\$	\$
NOTE 8: PLANT AND EQUIPMENT		
Leasehold Improvements		
At cost	569,994	569,994
Accumulated depreciation	<u>(313,263)</u>	<u>(199,264)</u>
	<u>256,731</u>	<u>370,730</u>
Plant and Equipment		
At cost	306,779	264,913
Accumulated depreciation	<u>(222,016)</u>	<u>(185,201)</u>
	<u>84,763</u>	<u>79,712</u>
Make Good Asset		
At cost	85,499	85,499
Accumulated depreciation	<u>(34,200)</u>	<u>(17,100)</u>
	<u>51,299</u>	<u>68,399</u>
Total Plant and Equipment	<u>392,793</u>	<u>518,841</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial period.

	Leasehold Improvements	Plant and Equipment	Make Good Asset	Total
	\$	\$	\$	\$
2017				
Balance at the beginning of the year	370,730	79,712	68,399	518,841
Additions at cost	-	41,866	-	41,866
Depreciation expense	<u>(113,999)</u>	<u>(36,815)</u>	<u>(17,100)</u>	<u>(167,914)</u>
Carrying amount at end of year	<u>256,731</u>	<u>84,763</u>	<u>51,299</u>	<u>392,793</u>

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 9: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	168,784	305,479
Deferred rent liability	17,047	34,094
Employee entitlements	110,128	100,474
Grants in advance	1,216,395	1,927,144
Grants in trust	54,737	197,574
Revenue received in advance	113,808	-
Unearned grants	-	36,894
Total Trade and Other Payables	<u>1,680,899</u>	<u>2,601,659</u>
NOTE 10: PROVISIONS		
NON-CURRENT		
Long-Term Employee Benefits		
Opening balance at 1 July	50,585	50,941
Additional provision raised during the year	132,046	16,073
Amount used	<u>(147,660)</u>	<u>(16,429)</u>
Balance at 30 June 2017	(a) <u>34,971</u>	<u>50,585</u>
Provision for Make Good		
Opening balance at 1 July	85,499	85,499
Additional provision raised during the year	<u>-</u>	<u>-</u>
	<u>85,499</u>	<u>85,499</u>
Total Provisions	<u>120,470</u>	<u>136,084</u>

(a) Long-Term Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave, long service leave and other leave.

The current portion of employee benefits includes the total amount accrued for annual leave entitlements and the amounts accrued for other leave entitlements that have vested due to employees having completed the required period of service (included in Note 9). Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have vested but are not expected to be settled in the next 12 months. It also includes provisions for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 11: CAPITAL AND LEASING COMMITMENTS		
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
- not later than one year	161,790	176,408
- between two and five years	161,790	352,816
- over five years	-	-
	323,580	529,224

NOTE 12: EVENTS AFTER REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial period 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.

NOTE 13: RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Key Management Personnel Compensation

	Short-term benefits	Post employ- ment benefits	Total
	\$	\$	\$
2017			
Total compensation	187,855	17,806	205,661
2016			
Total compensation	162,383	15,129	177,512

**COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 14: CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 30 June 2017 (2016: nil).

NOTE 15: MEMBER CONTRIBUTIONS

The Company is incorporated under the *Corporations Act 2001* and is limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company.

NOTE 16: COMPANY DETAILS

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

Council of Social Service of New South Wales
Level 3, 52-56 William Street
Woolloomooloo NSW 2011

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ACN 001 797 137
OPERATING AS NCOSS

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017

- 1) The financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b) give a true and fair view of the financial position of the Company as at 30 June 2017 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the Company 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, and is signed in accordance with subsection 60.15(2) of *Australian Charities and Not-for-profit Commission Regulation 2013*.



Tony Davies

President

Dated in Sydney, this 25th day of September 2017.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ABN 85 001 797 137**

Report on the Financial Report

Opinion

We have audited the financial report of Council of Social Service of New South Wales (“the Company”), which comprises the statement of financial position as at 30 June 2017, the statement of 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 Council of Social Service New South Wales 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 Company’s financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) 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 Company 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* “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

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditors report is information included in the Directors 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ABN 85 001 797 137**

If, based on the work we have performed, 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 are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Responsible Entities are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Responsible Entities.
- Conclude on the appropriateness of the Responsible Entity's 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ABN 85 001 797 137**

- 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 those charged with governance 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.

Melina Alexander

M A ALEXANDER
Partner

Pitcher Partners

PITCHER PARTNERS
Sydney

25 September 2017