

Victorian Council of Social Service
ABN 23 005 014 988

Concise Financial Report
For the year ended 30 June 2006

Directors' Report

Your directors present their report on the Company for the financial year ended 30 June 2006.

Directors

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

Melissa Afentoulis	Rob Nicholls (Resigned 19/10/05)
Sam Biondo	Eric Passaris
Micaela Cronin (Commenced 19/10/05)	David Pugh
Richard Dent (Resigned 19/10/05)	Barry Pullen
Linda Hancock	Pauline Spencer (Commenced 19/10/05)
John Honner (Resigned 25/11/05)	Deb Tsorbaris
Tony Lang	Marilyn Webster
Paul Linossier (Commenced 28/04/06)	

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

Principal Activities

The principal activities of the Company during the financial year consisted of:

1. working towards the reduction and eventual elimination of social and economic disadvantage in Victoria;
2. promoting co-operation between organisations and individuals involved in the field of social and community service in Victoria; and
3. working towards a united Australia that respects this land of ours, values the Aboriginal and Torres Strait Islander heritage, and provides justice and equity for all.

No significant change in the nature of these activities occurred during the year.

Operating Results and Review of Operations

The operation of the Company for the financial year resulted in a deficit of \$38,230

Dividends

The Company is a not-for-profit organisation incorporated as a company limited by guarantee. It does not have any share capital. The Company has not issued debentures. The Company is precluded by its Constitution from recommending payment of any dividend.

Significant Changes in State Of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future Developments

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future years.

Directors' Report

Environmental Issues

The Company's operations are not affected by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company. However, the liability of officers and directors of the Company to third parties is subject to insurance cover provided at no cost to the Company by the Department of Human Services of the State of Victoria.

Proceedings on Behalf of Company

No person has applied for leave of a court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2006 has been received and can be found on page 6 of the directors' report.

Meetings of Directors

During the financial year, 21 meetings of directors were held (including committees). Attendances were:

Director	Directors' Meetings		Finance Sub-committee Meetings	
	Attended	Eligible to attend	Attended	Eligible to attend
Melissa Afentoulis	7	11		
Sam Biondo	8	11		
Micaela Cronin	6	8		
Richard Dent	2	3	3	4
Linda Hancock	10	11		
John Honner	5	5		
Tony Lang	9	11		
Paul Linossier	2	3		
Rob Nicholls	1	3		
Eric Passaris	5	11	10	10
David Pugh	8	11	6	6
Barry Pullen	10	11		
Pauline Spencer	6	8		
Deb Tsorbaris	6	11		
Marilyn Webster	6	11		

Directors' Report

Details of Directors

Name	Qualifications and experience	Special Board Position
Melissa Afentoulis	Board member since June 2004. CEO of Women's Health West., over 25 years experience in the community sector with a particular interest in local community affairs, ethnic affairs and women's rights.	
Sam Biondo	Board member since 1989, 18 years community development, research and campaign activity at Fitzroy Legal Service. BA.Dip.Ed.BSW, MA (Crim.).	
Micaela Cronin	Board member since October 2005. Director at Wesley Mission Melbourne. She most recently held a senior management role at St Vincent DePaul and prior roles include the Victorian Foundation for Survivors of Torture and the Women's Refuge Referral Service. She has qualifications in Community Development and Social Work and is currently studying for an MBA	Commenced 19/10/05
Richard Dent	Board member appointed October 2002. CEO of EW Tipping Foundation. VCOSS staff 1998-2000. MBA, M.Soc.Sci., Grad. Dip. Bus. Mgmt, AFAIM. Disability, child and family issues.	Member of Finance Committee to 19/10/05 Resigned 19/10/05
Dr Linda Hancock	Board member since 2000. Assoc. Professor and Director, Public Policy and Governance Program, Deakin Univ. Chair, Gambling Research Panel 2001, ACOSS Board. BA (Hons), PhD.	President until 28/10/05
Dr John Honner	Board member appointed in 2000. Former Director of Practice and Policy, MacKillop Family Services. B.Sc (Hons), B.D.(Hons), Theol.M., D.Phil	Resigned 25/11/05
Tony Lang	Board member since 1998, Barrister, BA (Hons), LL.B	
Paul Linossier	Board member since April 2006. CEO of MacKillop Family Services. BA majoring in history and sociology, Bachelor of Social Work(Hons)	Commenced 28/04/06
Rob Nicholls	Board member appointed in 1999, Past ACOSS Board member, Project Officer, Uniting Care Community Options. 27 years experience in community services, B.Sc., Grad.Dip. Special Education	Resigned 19/10/05
Eric Passaris	Board member since February 2002. Member of the Institute of Chartered Accountants in Australia and of CPA Australia. Registered Company Auditor. B.Ec	Treasurer, Chair of Finance Committee
David Pugh	Board member since February 2004. Acting CEO of St Luke's Anglicare. With a keen interest in issues of community building, youth development, education and social inclusion. B. Ag. Sc (Hons), Dip. Ed (Sec), M Bus.	President from 28/10/05
Barry Pullen	Board member since 2002, former Minister for Housing, Education, and Conservation & Environment, Victorian Labor Government.	
Pauline Spencer	Board member since October 2005. Executive Officer of the Federation of Community Legal centres, the peak body for community legal centres across Victoria	Commenced 19/10/05
Deb Tsorbaris	Board member since November 2002. CEO Council to Homeless Persons, 21 years experience in the community and health services sector. Masters in Social Policy and Management	
Marilyn Webster	Board member since 1999, 32 years experience in community services sector. BA, Dip.Soc.Stud., Dip.App.Sci, AASW	Deputy President

Directors' Report

Details of Company Secretary at 30 June 2006

Cath Smith Special Honours: Natural Environment Science,
Sheffield University, United Kingdom

Chief Executive Officer, VCOSS.
Company Secretary – appointed 2
October 2002

Signed on this 13th day of October 2006 in accordance with a resolution of the Board of Directors.



David Pugh
President



Eric Passaris
Treasurer

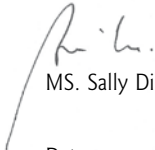
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF VICTORIAN COUNCIL OF SOCIAL SERVICE**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 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.



MCLEAN DELMO AUDIT ASSURANCE



MS. Sally Ding CA

Date: 13th October 2006

302 Burwood Rd, Hawthorn 3122

Discussion and Analysis of the Financial Statements

Information on Victorian Council of Social Service Concise Financial Report

The financial statements and disclosures in the concise financial report have been derived from the 2006 Financial Report of Victorian Council of Social Service.

A copy of the full financial report and auditors report will be sent to any member, free of charge, upon request.

The following discussion and analysis is provided to assist members in understanding the concise financial report.

Income Statement

The company has reported a deficit of \$38,230 for the 2006 year against a budgeted deficit of \$4,031. The larger deficit result is mostly attributable to the unplanned relocation of office premises in January 2006 which incurred once-off relocation costs of \$23,307 and an increase in rental expense above budget by \$25,757.

Membership and publications revenue of \$175,892 was down on budget by \$30,312 but was offset by a greater than budget contribution from project work of \$37,178.

The net contribution from project funding was approximately \$137,178 and included the deficit result of approximately \$14,000 from Congress 2005. The number of projects the company manages has increased and the contribution from projects continues to be a significant yet uncertain element of the company's revenue base.

Balance Sheet

The company's financial position remains sound however the working capital ratio has deteriorated from that of previous years. There was a surplus of current and liquid assets over current liabilities at balance date of approximately \$41,000 [2005: \$147,000].

The reduction in the working capital ratio is due to the costs incurred in relocating offices and increased capital expenditure particularly in the much needed upgrade of computer systems. Capital expenditure for the 2006 year amounted to \$80,908 compared with \$26,551 in the previous year.

Net assets at the end of June 2006 were \$302,150 [2005: \$340,380]. An investment property is carried in the books at written down cost of \$197,095. An independent valuation in August 2005 has valued the investment property at \$675,000

Statement of Cash Flows

There was a net cash inflow of approximately \$76,000 for the 2006 year. This is reflected by an increase in the cash balances on the Balance Sheet.

This result is partly influenced by the timing differences between receipt of revenues and ultimate revenue recognition in the Income Statement particularly relating to projects.

Income Statement for the year ending 30 June 2006

	Note	2006 \$	2005 \$
Revenue from government operational funding		390,587	405,261
Revenue from membership and subscriptions		175,892	161,044
Revenue from investments		74,867	76,217
Revenue from projects		683,587	538,050
Other revenues from ordinary activities		13,457	35,961
REVENUE FROM ORDINARY ACTIVITIES	2	<u>1,338,390</u>	<u>1,216,533</u>
Employment expenses		525,775	497,725
Publications expenses		22,725	26,750
Investment expenses		9,216	9,959
Project expenses		546,410	502,407
Occupancy expenses		91,010	58,897
Other operating and administration expenses		181,484	164,474
EXPENSES FROM ORDINARY ACTIVITIES		<u>1,376,620</u>	<u>1,260,212</u>
SURPLUS (DEFICIT)		<u>(38,230)</u>	<u>(43,679)</u>

The accompanying notes form part of this concise financial report.

Balance Sheet as at 30 June 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash assets		598,957	522,539
Receivables		84,746	123,927
Inventories		58	134
TOTAL CURRENT ASSETS		<u>683,761</u>	<u>646,600</u>
NON-CURRENT ASSETS			
Investment property		197,095	199,543
Property, plant and equipment		89,437	24,220
TOTAL NON-CURRENT ASSETS		<u>286,532</u>	<u>223,763</u>
TOTAL ASSETS		<u>970,293</u>	<u>870,363</u>
CURRENT LIABILITIES			
Payables		83,275	87,632
Provisions		145,663	107,315
Other liabilities		413,752	304,638
TOTAL CURRENT LIABILITIES		<u>642,690</u>	<u>499,585</u>
NON-CURRENT LIABILITES			
Provisions		25,453	30,398
TOTAL NON-CURRENT LIABILITIES		<u>25,453</u>	<u>30,398</u>
TOTAL LIABILITIES		<u>668,143</u>	<u>529,983</u>
NET ASSETS		<u>302,150</u>	<u>340,380</u>
MEMBERS' FUNDS			
Reserves		34,987	34,987
Accumulated surplus		267,163	305,393
TOTAL MEMBERS' FUNDS		<u>302,150</u>	<u>340,380</u>

The accompanying notes form part of this concise financial report.

Statement of Changes in Equity for the year ended 30 June 2006

	Accumulated Surplus	Building Maintenance Reserve	Asset Revaluation Reserve	General Reserve	Total
Note	\$	\$	\$	\$	\$
Balance at 1 July 2004	150,227	27,987	168,613	37,232	384,059
Transfer of funds to accumulated surplus	205,845		(168,613)	(37,232)	-
Transfer from accumulated surplus	(7,000)	7,000			-
Surplus for the year	(43,679)				(43,679)
Balance at 30 June 2005	<u>305,393</u>	<u>34,987</u>	<u>-</u>	<u>-</u>	<u>340,380</u>
Surplus for the year	(38,230)				(38,230)
Balance at 30 June 2006	<u>267,163</u>	<u>34,987</u>			<u>302,150</u>

The accompanying notes form part of this concise financial report.

Cash Flow Statement for the year ended 30 June 2006

	Note	2006	2005
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from government grants and community services		1,651,043	1,332,971
Payments to employees and suppliers		(1,526,078)	(1,322,597)
Interest received		29,361	31,217
Borrowing costs paid		-	-
Net cash provided by operating activities		<u>154,326</u>	<u>41,591</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts from sale of property, plant and equipment		3,000	-
Payments for property, plant and equipment		(80,908)	(26,551)
Net cash used in investing activities		<u>(77,908)</u>	<u>(26,551)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		76,418	15,040
Cash at beginning of year		<u>522,539</u>	<u>507,499</u>
Cash at end of year		<u>598,957</u>	<u>522,539</u>

The accompanying notes form part of this concise financial report.

Notes to the Concise Financial Report for the year ended 30 June 2006

Note 1: Basis of Preparation of the Concise Financial Report

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Corporations Act 2001.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of Victorian Council of Social Service. The concise financial report can not be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Victorian Council of Social Service as the full financial report.

The financial report of Victorian Council of Social Service complies with all Australian equivalents to International Financial reporting Standards (AIFRS) in their entirety. The presentation currency used in this concise financial report is Australian dollars.

There were no adjustments made on transition to AIFRS that affected total equity or profit.

	2006	2005
	\$	\$

Note 2: Revenue

Operating activities		
Government operational funding	390,588	405,261
Membership and publications	175,892	161,045
Rent received	45,506	45,000
Interest received	29,361	31,216
Project revenue	683,587	538,050
Other revenues from services	10,456	35,961
Non-operating activities		
Proceeds on disposal of equipment	-	-
Total revenue	<u>1,338,390</u>	<u>1,216,533</u>

Note 3: Segment Reporting

The Company operates only in the community services sector in Victoria, Australia

Directors' Declaration

The directors of Victorian Council of Social Service declare that the concise financial report of Victorian Council of Social Service for the financial year ended 30 June 2006, as set out on pages 7 to 12:

- (a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- (b) has been derived from and is consistent with the full financial report Victorian Council of Social Service.

This declaration is made in accordance with a resolution of the Board of Directors.



David Pugh
President



Eric Passaris
Treasurer

13th October 2006

Independent Audit Report

To the Members of Victorian Council of Social Service

Scope

We have audited the concise financial report of Victorian Council of Social Service for the financial year ended 30 June 2006, in order to express an opinion on it to its members.

The concise financial report comprises the income statement, the balance sheet, the statement of changes in equity, the cash flow statement, the notes to the financial statements, and the discussion and analysis of the financial statements. The Directors are responsible for the preparation of the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Victorian Council of Social Service for the year ended 30 June 2006, which was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information on the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion as to whether, in all material respects, the concise financial report is presented fairly in accordance with AASB 1039: Concise financial reports.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration attached to this concise financial report has not changed as at the date of providing our audit opinion.

Audit Opinion

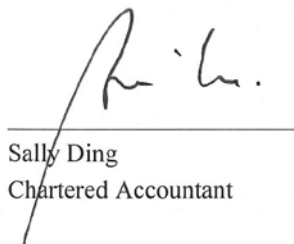
In our opinion, the concise financial report of Victorian Council of Social Service complies with Accounting Standard AASB 1039: Concise Financial Reports



McLean Delmo Audit Assurance
Certified Practising Accountants

Dated: 13th October 2006

At 302 Burwood Road, Hawthorn


Sally Ding
Chartered Accountant