

Victorian Council of Social Service

ABN 23 005 014 988

# Concise Financial Report

1 July 2006 – 30 June 2007

## **Relationship of the Concise Financial Report to the Full Financial Report**

The Concise Financial Report is an extract from the Full Financial Report for the year ended 30 June 2007. The financial statements and specific disclosures included in the Concise Financial Report have been derived from the Full Financial Report.

The Concise Financial Report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Victorian Council of Social Service as the Full Financial Report. Further financial information can be obtained from the Full Financial Report.

The Full Financial Report and Auditor's Report will be sent to members on request, free of charge.

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
DIRECTORS' REPORT  
30 JUNE 2007

The directors of the Victorian Council of Social Service ("the Company") present their report on the Company for the financial year ended 30 June 2007.

### Directors

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

Melissa Afentoulis	Paul Linossier (resigned 9.11.2006)
Sam Biondo (resigned 9.11.2006)	Eric Passaris
David Brant (appointed 15.12.2006)	David Pugh
Merrilee Cox (appointed 15.12.2006)	Barry Pullen
Micaela Cronin	Pauline Spencer (resigned 27.10.06)
Georgie Ferrari (appointed 9.11.2006)	Deborah Tsorbaris
Linda Hancock	Marilyn Webster
Tony Lang	

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 surplus of \$259,623 (2006 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 and 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.

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
 DIRECTORS' REPORT  
 30 JUNE 2007  
 (continued)

**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 2007 has been received and can be found following the Directors' Report.

**Meetings of Directors**

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2007, and the number of meetings attended by each director were:

Director	Directors' Meetings		Finance Sub-committee Meetings	
	Attended	Eligible to attend	Attended	Eligible to attend
Melissa Afentoulis	9	10		
Sam Biondo	3	4		
David Brant	4	5		
Merrilee Cox	5	5		
Micaela Cronin	7	10		
Georgie Ferrari	5	6		
Linda Hancock	7	10		
Tony Lang	6	10		
Paul Linossier	2	4		
Eric Passaris	4	10	11	11
David Pugh	10	10	10	11
Barry Pullen	8	10		
Pauline Spencer	2	4		
Deborah Tsorbaris	7	10		
Marilyn Webster	8	10		

An individual director may seek leave from the board to be absent from one or more board meetings.

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
**DIRECTORS' REPORT**  
**30 JUNE 2007**  
 (continued)

**Directors**

The names and particulars of the directors of the Company during the whole financial year and up to the date of this report are:

<b>Name</b>	<b>Qualifications and Experience</b>	<b>Special Board Position</b>
Melissa Afentoulis	Board member since June 2004. CEO of Women's Health West. Over 30 years experience in the community sector with a particular interest in local community affairs, ethnic affairs and women's rights.	
Sam Biondo	Board member from 1989 to 2006. 18 years community development, research and campaign activity at Fitzroy Legal Service and Victorian Alcohol and Drug Association. BA, Dip Ed, BSW, MA (Crim).	
David Brant	Board member since December 2006. Community activist working on issues at local, national and international levels. Ministerial appointment to the Victorian Disability Advisory Council and chair of its Accessible Place Working Party. Chair of the Vision Australia Client Representative Council.	
Merrilee Cox	Board Member since 2006. 28 years experience in the community services sector with major focus in disability, policy and advocacy. Diploma in Youth Work, Grad. Dip Women's Studies, Grad Dip, Bus (Organisation Change and Development), Masters SSc (Policy and Management).	
Micaela Cronin	Board member since October 2005. 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. Director at Wesley Mission Melbourne. Qualifications in Community Development and Social Work and currently studying for an MBA.	
Georgie Ferrari	Board member since 2006. CEO of the Youth Affairs Council of Victoria. 12 years experience in the not for profit sector in New Zealand, NSW and Victoria in the areas of youth, health, housing, community education and violence. BA (Gender Studies) and currently undertaking a Masters in Social Policy and Management.	

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
**DIRECTORS' REPORT**  
**30 JUNE 2007**  
 (continued)

<b>Name</b>	<b>Qualifications and Experience</b>	<b>Special Board Position</b>
Dr Linda Hancock	Board member since 2000. Director of Corporate Citizenship Research Unit at Deakin University and teaches the masters program in public policy and governance, policy analysis and research. Involved in research and policy on climate change and the role of local government, the MacroMelbourne Initiative, social policy, human rights and transitional labour markets. Co-Chair of Communities Against Pokies problems. Former Chair of the Independent Gambling Research Panel of Victoria, former member of the ACOSS Board. BA (Hons), PhD.	Immediate Past President
Tony Lang	Board member since 1998. Barrister, BA (Hons), LL B.	
Paul Linossier	Board member from April 2006 to November 2006. CEO of MacKillop Family Services. BA majoring in history and sociology, Bachelor of Social Work (Hons).	
Eric Passaris	Board member since 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. CEO of St Luke's Anglicare. Has 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, Member of Finance Committee
Barry Pullen	Board member since 2002. Former Minister for Housing, Education, and Conservation and Environment, Victorian Labor Government.	
Pauline Spencer	Board member from October 2005 to October 2006. Magistrate with the Magistrates' Court of Victoria. Formerly Executive Officer of the Federation of Community Legal centres.	
Deborah Tsorbaris	Board member since November 2002. CEO Council to Homeless Persons, 20 years experience in the community and health services sector. Member of the Victorian Ministerial Housing Council and Council to Homeless Persons Australia. Degree in Social Science, Graduate Diploma in Evaluation and Research, Masters in Social Policy and Management.	
Marilyn Webster	Board member since 1999. Has 31 years experience in community services sector. BA, Dip. Soc. Stud., Dip. App. Sci, AASW, AIPM.	Deputy President

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
DIRECTORS' REPORT  
30 JUNE 2007  
(continued)

**Company Secretary**

The name and particulars of the Company Secretary as at 30 June 2006 are:

Cath Smith	Special Honours: Natural Environment Science, Sheffield University, United Kingdom	Chief Executive Officer, VCOSS. Company Secretary since 2 October 2002.
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Signed on this 24<sup>th</sup> day of August 2007 in accordance with a resolution of the board of directors.



David Pugh  
President



Eric Passaris  
Treasurer

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007, 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 HALL CHADWICK AUDIT ASSURANCE



George Georgiou  
Partner

Date: 30 August 2007

302 Burwood Rd, Hawthorn 3122

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

The following discussion and analysis is provided to assist members in understanding the Concise Financial Report.

### **Income Statement**

The Company has reported a surplus of \$259,623 for the year (2006 deficit of \$38,230). This includes non-operating bequest income of \$248,641 which is not available for general use by the Company and has been transferred to a reserve. The surplus from operating activities is \$10,982.

Revenue from operating activities has increased over the prior year in all areas. The number of projects the Company manages has increased again this year and continues to be an important aspect of the Company's operations.

Expenses relating to operating activities have also increased as the Company has expanded its operations.

### **Balance Sheet**

The Company's net asset position has strengthened from the previous year. A significant increase is due to the receipt of bequest income of \$248,641. The Company maintains a healthy working capital ratio.

### **Cash Flow Statement**

There was a significant cash inflow of \$624,828 for the year. This reflects the Company's increased revenues and the bequest income received.

### **Statement of Changes in Equity**

The Company received bequest income of \$248,641 from the estate of a deceased member. A new bequest reserve has been established and the donation and related interest income have been allocated to the new reserve.

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Revenue from government operational funding		507,036	390,587
Revenue from membership and subscriptions		212,286	175,892
Revenue from investments		90,869	74,867
Revenue from projects		907,796	683,587
Other revenues from operating activities		37,050	13,457
<b>REVENUE FROM OPERATING ACTIVITIES</b>	<b>2</b>	<b>1,755,037</b>	<b>1,338,390</b>
Employment expenses		671,058	525,775
Occupancy expenses		127,090	91,010
Publications expenses		38,702	22,725
Investment expenses		5,030	9,216
Project expenses		706,937	546,410
Other operating and administration expenses		195,238	181,484
<b>EXPENSES FROM OPERATING ACTIVITIES</b>		<b>1,744,055</b>	<b>1,376,620</b>
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>		<b>10,982</b>	<b>(38,230)</b>
Bequest income (see below)		248,641	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>259,623</b>	<b>(38,230)</b>

**Bequest income**

During the year, the Company received a bequest from the estate of a deceased member. As stipulated in the donor's will, the bequest is to be used for research purposes. It is therefore not available for general use by the Company and a separate reserve has been established.

The accompanying notes form part of these financial statements.

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
BALANCE SHEET AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash assets		1,223,785	598,957
Receivables		98,559	84,746
Inventories		49	58
<b>TOTAL CURRENT ASSETS</b>		<b>1,322,393</b>	<b>683,761</b>
<b>NON-CURRENT ASSETS</b>			
Investment property		194,424	197,095
Property, plant and equipment		109,162	89,437
<b>TOTAL NON-CURRENT ASSETS</b>		<b>303,586</b>	<b>286,532</b>
<b>TOTAL ASSETS</b>		<b>1,625,979</b>	<b>970,293</b>
<b>CURRENT LIABILITIES</b>			
Payables		146,174	83,275
Provisions		219,024	145,663
Other liabilities		699,008	413,752
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,064,206</b>	<b>642,690</b>
<b>NON-CURRENT LIABILITES</b>			
Provisions		-	25,453
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>25,453</b>
<b>TOTAL LIABILITIES</b>		<b>1,064,206</b>	<b>668,143</b>
<b>NET ASSETS</b>		<b>561,773</b>	<b>302,150</b>
<b>MEMBERS' FUNDS</b>			
Reserves		290,624	34,987
Accumulated surplus		271,149	267,163
<b>TOTAL MEMBERS' FUNDS</b>		<b>561,773</b>	<b>302,150</b>

The accompanying notes form part of these financial statements.

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from government grants and community services		1,696,579	1,651,043
Payments to employees and suppliers		(1,305,013)	(1,526,078)
Interest received		44,654	29,361
Receipts related to bequest reserve		248,641	-
Net cash provided by operating activities		684,861	154,326
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Receipts from sale of property, plant and equipment		-	3,000
Payments for property, plant and equipment		(60,033)	(80,908)
Net cash used in investing activities		(60,033)	(77,908)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities		-	-
Net increase /(decrease) in cash held		624,828	76,418
Cash at beginning of year		598,957	522,539
Cash at end of year		1,223,785	598,957

The accompanying notes form part of these financial statements.

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

Note	Accumulated Surplus	Building Maintenance Reserve	Bequest Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2005</b>	305,393	34,987	-	340,380
Surplus/(deficit) for the year	(38,230)	-	-	(38,230)
<b>Balance at 30 June 2006</b>	267,163	34,987	-	302,150
Transfer from accumulated surplus	(255,637)	6,996	248,641	-
Surplus/(deficit) for the year	259,623	-	-	259,623
<b>Balance at 30 June 2007</b>	271,149	41,983	248,641	561,773

The accompanying notes form part of these financial statements.

**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 presentation currency used in this Concise Financial Report is Australian dollars.

	Note	2007 \$	2006 \$
<b>Note 2: Revenue</b>			
Operating activities			
Government operational funding		507,036	390,588
Membership and publications		212,286	175,892
Rent received		46,215	45,506
Interest received		44,654	29,361
Project revenue		907,796	683,587
Other revenues from services		37,050	10,456
Non-operating activities			
Bequest income		248,641	-
Gain on disposal of equipment		-	3,000
<b>Total revenue</b>		<b>2,003,678</b>	<b>1,338,390</b>

VICTORIAN COUNCIL OF SOCIAL SERVICE ABN 23 005 014 988  
DIRECTORS' DECLARATION

The directors of the Company declare that in their opinion the Concise Financial Report of the Company for the year ended 30 June 2007, as set out on pages 8 to 13:

- a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- b) has been derived from, and is consistent with, the Full Financial Report of the Company.

This declaration is made in accordance with a resolution of the board of directors.

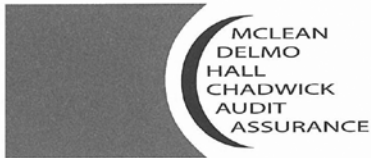


David Pugh  
President



Eric Passaris  
Treasurer

Dated this 24th day of August 2007



Statutory Audit  
Internal Audit  
Investigations  
Due Diligence

**Independent Auditor's report to the members of the Victorian Council of Social Service**

**Report on the concise financial report**

The accompanying concise financial report of the Victorian Council of Social Service (the company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, related notes extracted from the audited financial report of the company for the year ended 30 June 2007 and the discussion and analysis. The concise report does not contain all the disclosures required by the Australian Accounting Standards.

**Directors' responsibility for the concise financial report**

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Victorian Council of Social Service for the year ended 30 June 2007. Our audit report on the financial report for the year was signed on 30 August 2007 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of the Victorian Council of Social Service would be in the same terms if provided to the directors as at the date of this auditor's report.

**Auditor's Opinion**

In our opinion, the concise financial report including the discussion and analysis of the Victorian Council of Social Service for the year ended 30 June 2007 complies with Accounting Standard AASB 1039: Concise Financial Reports.

George Georgiou FCA  
Registered Company Auditor

McLean Delmo Hall Chadwick Audit Assurance

Signed at Collins St, Melbourne this 30<sup>th</sup> day of August 2007

McLean Delmo  
Hall Chadwick  
Audit Assurance P/L

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