COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES

ABN 85 001 797 137

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
ABN 85 001 797 137

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Your Directors present this report on the Council of Social Service of New South Wales ("the Company") for the financial year ended 30 June 2020.

Directors

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

Brungs, Marianna	
Carblis, Ben	until 29 November 2019
Davies, Tony	until 29 November 2019
Fisher, David	
Foote, Wendy	from 29 November 2019
Heath, Robin	until 26 September 2019
Ireland, Timothy	from 20 May 2020 until 12 August 2020
Kastel, Mendel	
Manley, Pauline	until 8 May 2020
McCaffrey, Suellen	until 29 November 2019
McKernan, Katherine	from 29 November 2019
Moraitakis, Elfa	from 20 May 2020
Robertson, John	from 29 November 2019
Simmons, Samantha	until 1 May 2020
Waterford, Eamon	until 29 November 2019
Webb, Bradley	from 29 November 2019
Zhang, Ying	

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

Company Secretary

Kim van Nerum

Objectives (Short-Term and Long-Term)

The Company advocates, collaborates and connects, as an independent public voice, to build inclusive communities where everyone can thrive, supported by a strong, diverse and effective community sector. The Company develops informed public opinion on matters relating to Social Welfare, promotes participation in Social Welfare and represents the non-government sector to a variety of stakeholders to ensure strong, diverse, effective organisations are accessible in local communities across NSW.

Principal Activities

The Company, during the course of the financial year, has worked towards the elimination of poverty in NSW by influencing social and economic policy through partnerships, research, education and strategy.

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.

Information on Directors

Marianna Brungs	Director
Qualifications:	Bachelor of Science/Law (USYD), MPhil, Development Studies University of Cambridge
Experience:	Board member since November 2015
Special Responsibilities:	Chair of Risk and Compliance Committee
Ben Carblis	Director (until 29 November 2019)
Qualifications:	Master of Adult Education, Diploma of Education, Bachelor of Arts
Experience:	Elected 16 November 2016
Tony Davies	President (until 29 November 2019)
Qualifications:	BA LLB (Hons 1st Class), Macquarie University, Diploma of Legal Practice, College of Law
Experience:	Elected 16 November 2016
David Fisher	President
Qualifications:	BA HONS (Urban Geography), Goldsmiths University, London, UK MBA, Manchester Metropolitan University, UK Post Grad. Dip. In Housing, Glasgow University, UK.
Experience:	Elected 9 November 2017
Special Responsibilities:	Member of Management and Finance Committee, Member of Human Resources Committee, Member of Board Management and Evaluation Committee, NCOSS representative to the ACOSS Board
Wendy Foote	Director (from 29 November 2019)
Qualifications:	Associate Professor, Humanities and Social Sciences, University of Newcastle
Experience:	Elected 29 November 2019
Special Responsibilities:	Member of Human Resources Committee (Chair from 24 June 2020)
Robin Heath	Director (until 26 September 2019)
Qualifications:	CEO of Dorrigo Plateau Local Aboriginal Land Council, Member of the National Parks and Wildlife Advisory Council, Member of the Aboriginal Culture Heritage Advisory Council
Experience:	Elected 23 November 2018
Tim Ireland	Director (from 20 May 2020 to 12 August 2020)
Qualifications:	CEO of Absec
Experience:	Appointed 20 May 2020

Information on Directors (Continued)

Mendel Kastel	Director
Qualifications:	Rabbinic Fellow The Great Synagogue, Sydney Commissioner National Mental Health Commission
Experience:	Elected 9 November 2017
Special Responsibilities:	Chair of Board Management and Evaluation Committee
Pauline Manley	Director (until 8 May 2020)
Qualifications:	Doctor of Philosophy, PhD in Creative Writing, Director of the Older Women's Network
Experience:	Elected 23 November 2018
Special Responsibilities:	Member of Human Resources Committee
Suellen McCaffrey	Director (until 29 November 2019)
Qualifications:	Bachelor of Science (Psychology, Hons), Registered Psychologist, CAHRI
Experience:	Elected 16 November 2016
Katherine McKernan	Director (from 29 November 2019)
Qualifications:	CEO, Homelessness NSW Deputy Chair, Homelessness Australia
Experience:	Elected 29 November 2019
Special Responsibilities:	Member of Risk and Compliance Committee
Elfa Moraitakis	Director (from 20 May 2020)
Qualifications:	CEO, SydWest Multicultural Services
Experience:	Appointed 20 May 2020
Special Responsibilities:	Member of Human Resources Committee
John Robertson	Director (from 29 November 2019)
Qualifications:	COO, Foodbank NSW & ACT Limited
Experience:	Elected 29 November 2019
Special Responsibilities:	Member of Risk and Compliance Committee, Member of Human Resources Committee
Samantha Simmons	Director (until 1 May 2020)
Qualifications:	BA, Sydney University Graduate Certificate in Public Policy, APSC Master of Cultural Heritage, Deakin University
Experience:	Elected 9 November 2017
Special Responsibilities:	Chair of Human Resources Committee (until 1 May 2020)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Information on Directors (Continued)

Eamon Waterford	Director (until 29 November 2019)
Qualifications:	Bachelor, International Studies (Globalisation Studies); Masters of Political Economy
Experience:	Board member since November 2014
Brad Webb	Director (from 29 November 2019)
Qualifications:	CEO, Samaritans
Experience:	Elected 29 November 2019
Special Responsibilities:	Member of Management and Finance Committee
Ying Zhang	Treasurer
Qualifications:	Master of Management, Master of Taxation, Master of Commerce, Fellow of CPA Australia, Graduate member of Australian Institute of Company Directors.
Experience:	Elected 6 June 2018
Special Responsibilities:	Chair of Management and Finance Committee

Meetings of Directors

During the financial year, 8 meetings of directors were held. Attendances by each Director were as follows:

	No. Eligible to attend	No. Attended
Brungs, Marianna	8	8
Carblis, Ben	3	3
Davies, Tony	3	3
Fisher, David	8	6
Foote, Wendy	5	4
Heath, Robin	2	0
Ireland, Timothy	1	1
Kastel, Mendel	8	6
Manley, Pauline	5	4
McCaffrey, Suellen	3	3
McKernan, Katherine	5	5
Moraitakis, Elfa	1	1
Robertson, John	5	5
Simmons, Samantha	5	4
Waterford, Eamon	3	2
Webb, Bradley	5	5
Zhang, Ying	8	7

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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.

Review of Operations

The surplus of the Company for the financial year amounted to $175,630 (2019: $4,662). For 2019/20, revenue from business streams declined as events, room hire, jobs board sales and sponsorship opportunities were impacted by COVID-19 and related public health requirements. Grant revenue also declined from the previous year as funding for a non recurrent project (Skilled to Thrive) wound down. Staffing changes through natural attrition, the ATO cashflow boost and JobKeeper payments helped to offset these losses.

While some ‘Business as Usual’ activities had to cease, COVID-19 required NCOSS to take on additional responsibilities to assist the sector continue to provide essential services throughout the pandemic. This included: establishing an online COVID-19 resource hub to provide up to date information to members; undertaking weekly joint video communications to the sector with DCJ and acting as a conduit for resolution of issues; convening weekly meetings of peak bodies to aid coordination and collaboration; hosting and participate in sector forums via zoom and using other channels to ensure clear and consistent messaging in the face of uncertainty.

Auditor’s Independence Declaration

The lead auditor’s independence declaration for the year ended 30 June 2020 has been received and can be found on page 6 of the financial report.

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

David Fisher
President
Dated in Sydney, this 26th day of October 2020

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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 2020 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.

Melissa Alexander

M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

26 October 2020

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue	2(a)	2,404,746	2,687,898
Interest revenue calculated using the effective interest rate method		17,236	29,445
Net realised and unrealised losses on financial assets held at fair value through profit or loss		(15,790)	(11,529)
Expenses:			
Administration expenses		(106,391)	(120,476)
Brokerage and sponsorships expense		(104,812)	(36,518)
Conference expenses		(44,393)	(183,793)
Consultants expense		(79,991)	(252,151)
Depreciation and amortisation expense		(237,802)	(160,366)
Employee benefits expense		(1,360,194)	(1,492,564)
Finance costs		(19,634)	-
Insurance expense		(15,762)	(21,830)
Office overheads expense		(14,288)	(15,405)
Premises expenses		(60,121)	(65,810)
Rental expenses	3	-	(179,840)
Travel expenses		(26,191)	(47,705)
Other expenses		(160,983)	(124,694)
Surplus for the year		**175,630**	**4,662**
Other comprehensive income		-	-
Total comprehensive income for the year		**175,630**	**4,662**

The accompanying notes form part of these financial statements.

COUNCIL OF SOCIAL SERVICE OF NEW SOUTH WALES
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	488,764	742,473
Trade and other receivables	5	261,383	95,349
Financial assets	7	1,940,823	1,538,316
Other current assets	6	14,816	50,640
TOTAL CURRENT ASSETS		**2,705,786**	**2,426,778**
NON-CURRENT ASSETS			
Financial assets	7	20,000	20,000
Plant and equipment	8	4,350	67,193
Lease assets	9	317,227	-
Other assets	6	54,673	51,270
TOTAL NON-CURRENT ASSETS		**396,250**	**138,463**
TOTAL ASSETS		**3,102,036**	**2,565,241**
LIABILITIES			
CURRENT LIABILITIES			
Lease liabilities	9	172,299	-
Trade and other payables	10	656,764	622,769
Provisions	11	2,972	-
TOTAL CURRENT LIABILITIES		**832,035**	**622,769**
NON-CURRENT LIABILITIES			
Lease liabilities	9	148,622	-
Provisions	11	110,720	107,443
TOTAL NON-CURRENT LIABILITIES		**259,342**	**107,443**
TOTAL LIABILITIES		**1,091,377**	**730,212**
NET ASSETS		**2,010,659**	**1,835,029**
EQUITY			
Accumulated surplus		2,010,659	1,835,029
TOTAL EQUITY		**2,010,659**	**1,835,029**

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Surplus $	Total $
Balance at 1 July 2018	1,830,367	1,830,367
Comprehensive income:		
Surplus for the year	4,662	4,662
Other comprehensive income	-	-
	4,662	4,662
Balance at 30 June 2019	1,835,029	1,835,029
Comprehensive income:		
Surplus for the year	175,630	175,630
Other comprehensive income	-	-
	175,630	175,630
Balance at 30 June 2020	**2,010,659**	**2,010,659**

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		1,891,886	1,351,259
Membership, services and other receipts		368,233	781,110
Payments to suppliers and employees		(2,041,093)	(2,823,949)
Interest paid		(19,634)	-
Net cash provided by/(used in) operating activities		**199,392**	**(691,580)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		17,236	29,445
Dividends received		111,663	106,781
Purchases of financial assets		(946,279)	(228,611)
Proceeds from sale of financial assets		527,982	43,416
Payment for plant and equipment		-	(3,268)
Increase in other non-current assets		(3,403)	(2,137)
Net cash used in investing activities		**(292,801)**	**(54,374)**
CASH FLOWS FROM FINANCING ACTIVITY			
Principal repayment of lease liabilities		(160,300)	-
Net cash used in financing activity		**(160,300)**	**-**
Net decrease in cash held		(253,709)	(745,954)
Cash and cash equivalents at the beginning of the year		742,473	1,488,427
Cash and cash equivalents at the end of the year	4	**488,764**	**742,473**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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.

New, Revised or Amended Accounting Standards Adopted
The Company has adopted all of the new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

For the year ended 30 June 2020, the Company has adopted the following new Accounting Standards (and their relevant amending standards issued by the AASB):

- AASB 15 Revenue from Contracts with Customers;
- AASB 1058 Income of Not-for-Profit Entities; and
- AASB 16 Leases.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entitie
The mandatory date of adoption for AASB 15 and AASB 1058 was 1 July 2019. The Company has elected to apply the modified retrospective approach allowable under the Standards, reflecting the cumulative impact arising from adoption (if any) as an adjustment to opening accumulated surplus at 1 July 2019.

As a result, comparative financial information has not been restated.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:
Step 1 – Identify the contract with the customer;
Step 2 – Identify the sufficiently specific performance obligations to be satisfied;
Step 3 – Measure the expected consideration;
Step 4 – Allocate that consideration to each of the performance obligations in the contract; and
Step 5 – Recognise revenue.

The Company has elected to adopt the practical expedient whereby contracts that are considered to be 'complete' (where revenue has been fully recognised in accordance with previous standards) are not adjusted upon the adoption of the new standards.

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the Company to further its objectives. Otherwise, assets acquired are recognised at cost.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New, Revised or Amended Accounting Standards Adopted (Continued)

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers;
- AASB 16 Leases;
- AASB 1004 Contributions;
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets; and
- AASB 9 Financial Instruments.

A transfer that requires the Company to use those funds to acquire or construct a recognisable non-financial asset to identified specifications; does not require the Company to transfer the non-financial asset to the transferor or other parties; and occurs under an enforceable agreement is recognised income when (or as) the Company satisfies its obligations under the transfer.

The Company has completed its analysis of the impacts of adoption and has concluded that there is no material change to the presentation, recognition and measurement of revenue as a result of the transition to AASB 15 and AASB 1058.

AASB 16 Leases

AASB 16 Leases replaces AASB 117 Leases and has been applied for the first time from 1 July 2019. The accounting policy adopted by the Company from that date is described in Note 1c). In the previous financial year, lease rentals payable on operating leases were recognised as an expense on a straight line basis over the lease term.

On initial application of AASB 16, the Company has elected to adopt the modified retrospective approach, whereby the lease liability is measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 July 2019. The Company's incremental borrowing rate was 4.66%. The right of use asset has been recognised an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments at the transition date. As a result, comparative financial information has not been restated.

A material impact has been noted upon initial application of the Standard. The following amounts were recognised as at 1 July 2019 (refer to Note 9 for further details):

	1 July 2019 **$**
Operating lease commitments as at 1 July 2019	549,498
Operating lease commitments discount based on the weighted average incremental borrowing rate of 4.66%	(35,543)
Lease liabilities recognised as at 1 July 2019	**513,955**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 201* 2. 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 __ September 2020 by the Directors of the Company.

Accounting Policies

(a) Revenue Recognition

In the previous financial year, revenue recognised in accordance with AASB 118 Revenue was measured at the fair value of the consideration received or receivable. The Company recognised revenue when the amount of revenue could be reliably measured, it was probable that future economic benefits will flow to the Company and specific criteria had been met for each of the Company's activities. All revenue is stated net of the amount of goods and services tax (GST).

Revenue recognised under AASB 15 is measured at the amount which the Company expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

The Company has elected not to recognise volunteer services as revenue.

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Revenue Recognition (Continued)

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 contract liability. A contract liability represents the Company's obligation to transfer goods or services to the customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the Company transfers the contracted goods or services to the customer.

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).

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Plant and Equipment (Continued)

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.

(c) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Company the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the Company recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Company is reasonably certain to exercise and incorporate the Company's expectations of lease extension

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Leases (Continued)

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets ($5,000 or less) are recognised as incurred as an expense in the income statement.

(d) Financial assets

Recognition/derecognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date). Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Classification of financial assets

Financial assets recognised by the Company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9. Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the Company's business model for managing the financial assets; and
(b) the contractual cash flow characteristics of the financial asset.

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

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

(ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

(iii) Financial assets at amortised cost

Term deposits are classified (and measured) at amortised cost on the basis that:

(a) they are held within a business model whose objective is achieved by the Company holding the financial asset to collect contractual cash flows; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (continued)

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the Company 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.

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 Company 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 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 receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Goods and Services Tax (GST) (Continued)

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) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(l) Provisions

Provisions are recognised when the Company 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.

(m) 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.

(n) Comparative Figures

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

(o) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Critical Accounting Estimates and Judgments (Continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment in relation to trade receivables requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical collection rates.

Employee benefits provision

As discussed in note 1(f), 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.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $
NOTE 2: REVENUE		
(a) Revenue from contracts with customers		
State/Federal government grants	1,616,233	1,625,285
Membership	240,080	254,757
Service	246,769	686,934
Total revenue from contracts with customers	**2,103,082**	**2,566,976**
Other revenue		
Dividends	111,663	106,781
Sundry revenue	-	14,141
Government subsidies	190,001	-
	301,664	**120,922**
Total Revenue	**2,404,746**	**2,687,898**

	2020 $	2019 $
NOTE 3: EXPENSES		
(a) Expenses		
Rental expense on operating leases:		
- Minimum lease payments	-	179,840
Superannuation:		
- Defined contribution superannuation expense	106,505	137,143
Bad debts:		
- Trade receivables	-	17,023
Depreciaiton and amortisation expense		
- Depreciation on property plant and equipment	62,843	160,366
- Amortisation of leased assets	174,959	-
	237,802	**160,366**

	2020 $	2019 $
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank - unrestricted	488,444	741,961
Cash float	320	512
Total cash and cash equivalents as stated in the statement of financial position	**488,764**	**742,473**
Total cash and cash equivalents as stated in the statement of cash flows	**488,764**	**742,473**

NOTE 5: TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Current		
Trade receivables	141,411	61,298
Less: Allowance for expected credit losses	(1,200)	(1,200)
	140,211	60,098
Other receivables	121,172	35,251
Total Trade and other receivables	**261,383**	**95,349**

NOTE 6: OTHER ASSETS

	2020 $	2019 $
CURRENT		
Prepayments	14,816	50,640
Total Other Current Assets	**14,816**	**50,640**
NON-CURRENT		
Lease guarantee deposit	54,673	51,270
Total Other Non-Current Assets	**54,673**	**51,270**

NOTE 7: FINANCIAL ASSETS

		2020 $	2019 $
CURRENT			
Financial assets at fair value through profit or loss			
- Listed hybrids	**(a)**	722,775	444,379
- Equity securities	**(b)**	482,471	625,194
		1,205,246	**1,069,573**
Financial assets measured at amortised cost			
- Term deposits	**(c)**	735,577	468,743
		735,577	**468,743**
NON-CURRENT			
Financial assets at fair value through other comprehensive income			
- Unlisted equity securities	**(d)**	20,000	20,000
		20,000	**20,000**
Total Financial Assets		**1,960,823**	**1,558,316**

(a) Listed hybrids

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

NOTE 7: FINANCIAL ASSETS (CONTINUED)

(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 in term deposit accounts that have original maturities of more than three months.

(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.

NOTE 8: PLANT AND EQUIPMENT

	2020 $	2019 $
Leasehold Improvements		
At cost	569,994	569,994
Accumulated depreciation	(569,994)	(541,261)
	-	28,733
Plant and Equipment		
At cost	318,860	318,860
Accumulated depreciation	(314,510)	(297,500)
	4,350	21,360
Make Good Asset		
At cost	85,499	85,499
Accumulated depreciation	(85,499)	(68,399)
	-	17,100
Total Plant and Equipment	**4,350**	**67,193**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 8: PLANT AND EQUIPMENT (CONTINUED)

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 year.

	Leasehold Improvements $	Plant and Equipment $	Make Good Asset $	Total $
2020				
Balance at the beginning of the year	28,733	21,360	17,100	67,193
Additions at cost	-	-	-	-
Depreciation expense	(28,733)	(17,010)	(17,100)	(62,843)
Carrying amount at end of year	**-**	**4,350**	**-**	**4,350**

NOTE 9: LEASE ASSETS AND LIABILITIES

	2020 $	2019 $
NON-CURRENT		
Lease assets		
At cost	492,186	-
Accumulated amortisation	(174,959)	-
Total lease assets	**317,227**	**-**

	$
At 1 July 2019	529,334
Re-measurement of lease liability	(37,148)
Amortisation	(174,959)
Carrying amount at end of year	**317,227**

	2020 $	2019 $
Lease Liabilities		
Current	172,299	-
Non-current	148,622	-
	320,921	**-**

Amounts recognised in the statement of profit or loss and other comprehensive income

	2020 $
Interest expense (included in finance costs)	19,634
Total cash outflow for leases	179,933

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

		2020 $	2019 $
NOTE 10: TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables		208,079	164,812
Employee entitlements		115,566	82,575
Grants in advance		-	374,000
Revenue received in advance		-	1,382
Contract liabilities		333,119	-
Total Trade and Other Payables		**656,764**	**622,769**
NOTE 11: PROVISIONS			
Long-Term Employee Benefits			
Opening balance at 1 July		21,944	28,163
Additional provision raised during the year / amounts written back		6,249	(6,219)
Balance at 30 June 2020	**(a)**	**28,193**	**21,944**
Provision for Make Good			
Opening balance at 1 July		85,499	85,499
Additional provision raised during the year		-	-
		85,499	**85,499**
Total Provisions		**113,692**	**107,443**
Total current provisions		2,972	-
Total non-current provisions		110,720	107,443
		113,692	**107,443**

(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 10). 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.

NOTE 12: CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 30 June 2020 (2019: nil).

NOTE 13: CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments
Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2019 $
Payable – minimum lease payments	
- not later than one year	183,166
- between two and five years	366,332
- over five years	-
	549,498

NOTE 14: 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 employment benefits $	Total $
2020			
Total compensation	230,916	21,937	252,853
2019			
Total compensation	194,498	16,490	210,988

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: EVENTS AFTER REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the organisation has not been financially impacted by a material amount after year end, it is not practicable to estimate the potential impact, positive or negative, after the date of this report. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other 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 17: 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
ABN 85 001 797 137
OPERATING AS NCOSS

RESPONSIBLE ENTITIES' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020

1) The financial statements and notes, as set out on pages 7 to 27, 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 2020 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* .

David Fisher
President

Dated in Sydney, this 26th day of October 2020.

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

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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 New South Wales ("the Company"), which comprises the statement of financial position as at 30 June 2020, 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 2020 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 (Including Independence Standards)* "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 auditor's 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.

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.
- 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

26 October 2020