



chartered accountants

International Social Service Australia

ABN: 12 004 508 641

Financial Statements

For the Year Ended 30 June 2010

International Social Service Australia

ABN: 12 004 508 641

For the Year Ended 30 June 2010

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Directors' Report

30 June 2010

Your directors present this report on the entity for the financial year ended 30 June 2010.

Directors

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

Diana Batzias	Karen Cariss
Margaret Harrison	Claudia Hirst
Barbara Lane	Margaret Roberts
Chris Simpson	Marilyn Webster
Anne Cordner (to 13 December 2009)	Sally Nicholes (to 15 October 2009)
Fionn Skiotis (Secretary)	

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

The principal activity of the company during the financial year was to provide a range of social work services across international borders as a member of the International Social Service network.

The entity's short term objectives are to:

- Diversify and strengthen ISS Australia's funding base to ensure all services are adequately funded by both government and non-government revenue sources
- Develop and refine ISS Australia's IT, communications, information management, office and other infrastructure systems to maximise their contribution to services and initiatives
- Upgrade ISS Australia's website and associated content management system and maintain a dynamic, appealing and up-to-date online presence thereafter
- Ensure ISS Australia has the capacity to leverage existing service delivery expertise and data in extending its casework services
- Work with like-minded network members in advocating for the international ISS network to be a modern, progressive and forward-looking organisation with appropriate governance, management and other structures and policies

The entity's long term objectives are to:

- Achieve financial viability
- Build organisational capacity
- Effectively rebrand, market and network
- Extend casework services into new areas
- Effectively contribute to the ISS network

To achieve these objectives, the entity has adopted the following strategies:

- Identify and pursue opportunities for new business and service provision appropriate to ISS
- Establish and market a suitable fundraising tool to support and secure ISS's future
- Foster an organisational culture of "social entrepreneurialism"
- Ensure adequate staff time and resources are allocated to building organisational capacity
- Develop other organisational resources including memberships and access to information and networks
- Ensure adequate resources are available for professional development
- Review ISS's name, logo and other organisational identifiers to ensure branding reflects and communicates ISS's unique history, values and services
- Effectively market ISS's services and capacity to stakeholders, potential clients and the public
- Identify and participate in a range of strategic networks relevant to ISS's services and interests
- Maintain and enhance the quality and effectiveness of ISS's existing casework services
- Develop capacity in policy development and related areas and pursue opportunities for new business in these areas
- Develop capacity in training design and delivery and pursue opportunities for new services
- Ensure ISS contributes effectively in the international network's meetings and other forums
- Develop and implement plans for ISS to take a leadership role in the Asia-Pacific region or Pacific sub-region through mentoring, network development, training and capacity building

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Directors' Report

30 June 2010

Information on Directors

Diana Batzias	— President
Qualifications	— Dip Soc Stud
Experience	— Appointed President in 2009; Board member since 2005 (reappointed 2009)
Karen Cariss	— Vice President
Qualifications	— B Sc (Hons)
Experience	— Appointed Vice President in 2009; Board member since 2008; Global CEO, PageUp People Pty Ltd
Chris Simpson	— Treasurer
Qualifications	— B Comm, MICAA
Experience	— Appointed Treasurer in 2004; Board member since 2004; Partner, HLB Mann Judd
Fionn Skiotis	— Secretary
Qualifications	— M Soc Sci, MAICD
Experience	— Appointed Secretary in 2009; Board Member, Community Housing Ltd
Anne Cordner	— Director
Qualifications	— BSW
Experience	— Board member to 13 December 2009 (deceased)
Barbara Lane	— Director
Qualifications	— BA, BSW, MEd, MA (Hons), AASW
Experience	— Board member since 2009; Registered Family Dispute Resolution Practitioner
Claudia Hirst	— Director
Qualifications	— LLB
Experience	— Board member since 2006; Corporate Counsel, Austin Health
Margaret Harrison	— Director
Qualifications	— LLB, LLM
Experience	— Board member since 2009; Member, Anglicare Research Ethics Committee; Board Member, Children's Rights International
Margaret Roberts	— Director
Qualifications	— B Soc Sci
Experience	— Immediate Past President; Board member since 2001
Marilyn Webster	— Director
Qualifications	— BA, Dip Soc Stud, Dip App Sci, AASW
Experience	— Board member since 1992; Manager Social Policy and Research, Good Shepherd Youth and Family Service; Chair, Victorian Council of Social Service; Board Member, Australian Council of Social Service, MacKillop Family Services
Sally Nicholes	— Director
Qualifications	— LLB / BA
Experience	— Board member to 15 October 2009 (resigned); Principal, Nicholes Family Lawyers

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Directors' Report

30 June 2010

Change of Name

The Australian Securities and Investments Commission approved the Directors' application to change the name of the company from International Social Service - Australian Branch to International Social Service Australia. This change was approved on 30th October 2009.

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Diana Batzias	11	10
Chris Simpson	11	6
Fionn Skiotis	11	11
Anne Cordner	5	4
Barbara Lane	11	10
Claudia Hirst	11	6
Karen Cariss	11	10
Margaret Harrison	11	6
Margaret Roberts	11	11
Marilyn Webster	11	3
Sally Nicholes	3	0

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2010 the collective liability of members was \$380 (2009: \$310).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 4 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

President: Diana Batzias

Treasurer: Chris Simpson

Dated this day of 2010

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Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 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.

Saward Dawson Chartered Accountants

Tim Flowers
Partner

Dated:

Blackburn

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Statement of Comprehensive Income

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue	2	744,950	637,855
Employee benefits expense		(542,878)	(479,263)
Rental, outgoings and occupancy costs		(49,192)	(45,129)
Depreciation, amortisation and impairments	3	(18,382)	(18,464)
Travel expenses		(15,464)	(11,946)
General secretariat membership		(14,000)	(14,255)
Communications and postage		(8,490)	(12,165)
Repairs and maintenance		(1,299)	(11,258)
Printing, stationery and equipment		(667)	(1,484)
Other expenses		(58,913)	(53,375)
Total expenses		(709,285)	(647,339)
Surplus/(Deficit) for the year		35,665	(9,484)
Other comprehensive income			
Net gain on revaluation of land and buildings		239,421	-
Total comprehensive income for the year		275,086	(9,484)

The accompanying notes form part of the financial statements

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Statement of Financial Position

As at 30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	21,182	173,611
Trade receivables	5	12,785	10,504
Financial assets	6	150,000	-
Other current assets	5	6,727	3,564
Total current assets		190,694	187,679
Non-current assets			
Property, plant and equipment	7	775,324	542,723
Total non-current assets		775,324	542,723
TOTAL ASSETS		966,018	730,402
LIABILITIES			
Current liabilities			
Trade and other payables	8	29,614	81,035
Borrowings	9	233	1,181
Short-term provisions	10	27,943	15,043
Total current liabilities		57,790	97,259
TOTAL LIABILITIES		57,790	97,259
NET ASSETS		908,228	633,143
EQUITY			
Reserves	11	920,481	621,226
Accumulated surpluses/(deficits)		(12,253)	11,917
TOTAL EQUITY		908,228	633,143

The accompanying notes form part of the financial statements

International Social Service Australia

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Statement of Changes in Equity

For the Year Ended 30 June 2010

2010

Note	Accumulated surpluses/(defi- cits) \$	Capital Profits Reserve \$	Asset Realisation Reserve \$	Donation Reserve \$	Total \$
Balance at 1 July 2009	11,917	425,600	190,626	5,000	633,143
Surplus for the year	35,665	-	-	-	35,665
Revaluation increment (decrement)	-	-	239,421	-	239,421
Transfers to and from reserves					
- Donation reserve	(59,834)	-	-	59,834	-
Balance at 30 June 2010	(12,253)	425,600	430,047	64,834	908,228

2009

Note	Accumulated surpluses/(defi- cits) \$	Capital Profits Reserve \$	Asset Realisation Reserve \$	Donation Reserve \$	Total \$
Balance at 1 July 2008	26,401	425,600	190,626	-	642,627
Surplus for the year	(9,484)	-	-	-	(9,484)
Transfers to and from reserves					
- Donation reserve	(5,000)	-	-	5,000	-
Balance at 30 June 2009	11,917	425,600	190,626	5,000	633,143

The accompanying notes form part of the financial statements

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Statement of Cash Flows

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Cash from operating activities:			
Receipts from customers		719,746	682,804
Payments to suppliers and employees		(721,160)	(678,458)
Interest received		11,495	14,692
		<hr/>	<hr/>
Net cash provided by (used in) operating activities	14	10,081	19,038
		<hr/>	<hr/>
Cash flows from investing activities:			
Redemption of term deposits		41,360	-
Placement of term deposits		(51,970)	-
Acquisition of property, plant and equipment		(11,561)	-
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(22,171)	-
		<hr/>	<hr/>
Net increase (decreases) in cash held		(12,090)	19,038
Cash and cash equivalents at beginning of year		172,429	153,391
Reclassification of term deposit from cash into current financial assets		(139,390)	-
		<hr/>	<hr/>
Cash at end of financial year	4	20,949	172,429

The accompanying notes form part of the financial statements

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 1 Accounting policies

1a General information

The financial statement is a special purpose financial statement prepared to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The Board Members have determined that the company is not a reporting entity.

International Social Service Australia is a company limited by guarantee, incorporated and domiciled in Australia.

1b Basis of preparation

Reporting basis

The financial statements have been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

The statements have been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Australian Accounting Standards and Accounting Interpretations:

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 117:	Leases
AASB 1004:	Contributions
AASB 1031:	Materiality
AASB 1048:	Interpretation and Application of Standards

In addition to compliance with the above named Accounting Standards, the company has complied with all material measurement and recognition requirements of the Australian Accounting Standards.

No other Accounting Standard, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

1c 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 1 Accounting policies continued

1d Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(iv) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 1 Accounting policies continued

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue.

1e Property, plant and equipment

Land and buildings

Freehold land and buildings are shown at directors' valuation less subsequent depreciation of buildings. The company has also undertaken triennial valuations by external independent valuers to ensure that carrying value is not in excess of market value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment loss.

Depreciation rates

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

Buildings	2.5%
Furniture and fittings	20 - 50%
Computer equipment	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 1 Accounting policies continued

1f Impairment

At each reporting date, the company reviews the carrying values of its tangible and intangible 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 or where appropriate depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

1g Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

1h Income taxes

No current or deferred income tax assets or liabilities have been raised by the company as it is exempt from income tax under Division 50 of the Income Tax Assessment Act.

1i Leases

Operating leases

The minimum rental revenue of operating leases with fixed rental increases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised on a straight line basis.

Revenue from other leases is recognised in accordance with the lease agreement, which is considered to best represent the pattern of service rendered through the provision of the leased asset.

1j Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Donation income is recognised when it is received.

Government grants are recognised as income as they are earned. Where grants relate to activities not yet undertaken, and there is an obligation to repay those funds if they are not spent for the approved purpose then such funds are recognised as an "income received in advance" liability until such time as the funded activities are undertaken.

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

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 1 Accounting policies continued

1k 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

1l Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of International Social Services Australia.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 1 Accounting policies continued

1m New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - simplifying the requirements for embedded derivatives;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the company.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This Standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Interpretation is not expected to impact the company.

The company does not anticipate any change in accounting policy in the future year that will have any material effect on the company's financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 2 Revenue

	2010	2009
	\$	\$
Operating grants		
NSW Department of Community Services Core	83,721	82,229
Attorney-General's Department (IPCA AG)	200,746	200,569
NSW Dept of Community Services Core Family Support	201,185	197,599
QLD Department of Communities	8,732	8,457
VIC Department of Planning & Development	2,500	-
Donations	39,710	50,615
Rental income	16,678	14,058
Interest income	11,495	14,749
Other income	180,183	69,580
Total	744,950	637,856

Note 3 Surplus from Ordinary Activities

Expenses from Ordinary Activities

Depreciation of property, plant and equipment	18,382	18,464
Remuneration of auditor		
Auditing or reviewing the financial report	5,150	4,950
Other services	2,650	2,450
Rental expense on operating leases		
Minimum lease payments	30,548	27,204
	30,548	27,204

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 4 Cash and cash equivalents

	2010	2009
	\$	\$
Cash on hand	265	584
Cash at bank	20,917	173,027
	<u>21,182</u>	<u>173,611</u>

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	(a) 21,182	-
Borrowings	(233)	(1,181)
	<u>20,949</u>	<u>(1,181)</u>

(a) Short term deposits were classified as cash and cash equivalents in the prior year as they had maturities of 3 months and below. The current term deposits now have maturities exceeding 3 months and have been classified as current financial assets under Note 6.

Note 5 Trade and other receivables

CURRENT

Trade receivables	12,785	10,504
Prepayments	6,727	3,564
	<u>19,512</u>	<u>14,068</u>

Note 6 Other Financial Assets

Held-to-maturity investments comprise:

Term deposits	150,000	-
	<u>150,000</u>	<u>-</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 7 Property plant and equipment

	2010	2009
	\$	\$
Buildings		
At directors' valuation	770,000	572,600
Less accumulated depreciation	-	(35,788)
Total buildings	<u>770,000</u>	<u>536,812</u>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	15,827	15,132
Less accumulated depreciation	(14,952)	(13,855)
Total furniture, fixtures and fittings	<u>875</u>	<u>1,277</u>
Computer equipment		
At cost	10,111	7,326
Less accumulated depreciation	(5,662)	(2,692)
Total computer equipment	<u>4,449</u>	<u>4,634</u>
Total plant and equipment	<u>5,324</u>	<u>5,911</u>
Total property, plant and equipment	<u><u>775,324</u></u>	<u><u>542,723</u></u>

The building valuation of \$770,000 (Valuation price less estimated costs to sell) was carried out as at 30 June 2010 and was on the basis of the open market value of the property concerned in its existing use. The previous valuation was carried out as at 31 December 2007 where the building was valued at \$572,600.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 7 Property plant and equipment continued

7a Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year

	Buildings \$	Furniture, Fixtures and Fittings \$	Computer Equipment \$	Total \$
Current Year				
Balance at the beginning of the year	536,812	1,277	4,634	542,723
Additions	8,082	696	2,784	11,562
Depreciation expense	(14,315)	(1,098)	(2,969)	(18,382)
Revaluation increase recognised in equity	239,421	-	-	239,421
Carrying amount at the end of year	<u>770,000</u>	<u>875</u>	<u>4,449</u>	<u>775,324</u>
Prior Year				
Balance at the beginning of the year	551,127	2,987	7,073	561,187
Depreciation expense	(14,315)	(1,710)	(2,439)	(18,464)
Carrying amount at the end of year	<u>536,812</u>	<u>1,277</u>	<u>4,634</u>	<u>542,723</u>

Note 8 Trade and other payables

	2010 \$	2009 \$
CURRENT		
Trade payables	29,614	21,035
Grants received in advance	-	60,000
	<u>29,614</u>	<u>81,035</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 9 Borrowings

	2010	2009
	\$	\$
CURRENT		
Credit card liability	233	1,181
	<u>233</u>	<u>1,181</u>

Note 10 Provisions

CURRENT		
Employee benefits	27,943	15,043
	<u>27,943</u>	<u>15,043</u>

Note 11 Reserves

11a Capital Profits Reserve

The capital profits reserve records capital profits realised on property sold in 1996.

11b Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non current assets.

11c Donation Reserve

The donation reserve records funds donated and set aside for supporting casework services.

Note 12 Capital and Leasing Commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments

- not later than 12 months	32,425	28,800
- between 12 months and 5 years	63,800	2,400
	<u>96,225</u>	<u>31,200</u>

The above operating lease attach to the rented premise at Kent Street in New South Wales. The lease will terminate in July 2013 and currently there is no option for extension.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 13 Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

	2010	2009
	\$	\$
Contingent Liabilities		
Rental bond guarantees held by Bendigo Bank Private Banking Services Centre in favour of third parties	7,200	7,200

Note 14 Cash Flow Information

Reconciliation of cashflow from operations with surplus/(deficits) for the year

Net Surplus/(deficit) for the period	35,665	(9,484)
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus		
Depreciation	18,382	18,464
changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(5,445)	5,497
Increase/(decrease) in trade payables and accruals	8,579	15,427
Increase/(decrease) in other payables (grants in advance)	(60,000)	-
Increase/(decrease) in provisions	12,900	(10,866)
	<u>10,081</u>	<u>19,038</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Note 15 Economic Dependency

Approximately 65% percent of the company's revenue is derived from grant funding received from the New South Wales Department of Community Services (DoCS) and the Attorney-General's Department.

The company's continuing operations hinges on the continued funding from the New South Wales Department of Community Services (DoCS) and the Attorney-General's Department.

Note 16 Company Details

Registered office

The registered office of the company is:
International Social Service Australia
Level 2, 313-315 Flinders Lane
Melbourne VIC 3000

International Social Service Australia

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Directors' Declaration

The Board of Directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 21, are in accordance with the Corporations Act 2001 and:
 - (a) comply with the Australian Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Director' opinion, 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.

President

Diana Batzias

Honorary Treasurer

Chris Simpson

Dated

International Social Service Australia

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Independent Audit Report to the members of International Social Service Australia

Report on the financial report

We have audited the attached financial report, being a special purpose financial report of International Social Service Australia (the company), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Board of Directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying 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 financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with the Australian Auditing Standards. These 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 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

International Social Service Australia

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Independent Audit Report to the members of International Social Service Australia

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 International Social Service Australia 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 financial report of International Social Service Australia is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

Saward Dawson Chartered Accountants

Tim Flowers
Partner

Blackburn VIC 3130
Dated