



chartered accountants

International Social Service - Australian Branch

ABN: 12 004 508 641

Financial Statements

For the Period Ended 30 June 2008

International Social Service - Australian Branch

ABN: 12 004 508 641

For the Period Ended 30 June 2008

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Council of Management Report

For the period ended 30 June 2008

Your Council Members present their report on the company for the financial period ended 30 June 2008.

1. Other matters

a Business review

A review of the operations of company during the financial period and the results of those operations show that the Company provided services from its Melbourne and Sydney offices consistent with its obligations to the Commonwealth Government, the NSW Government, the Queensland Government, the United Kingdom Government, and the International Social Services General Secretariat.

b Changes to activity

No significant changes in the company's state of affairs occurred during the financial period.

c Change in end of financial year

The Australian Securities and Investments Commission approved the Council Members' application to change the end of the financial year from ending on the 31st December to 30th June. This change was approved on 26th March 2007 so the current year's financial report will cover the eighteen (18) month period from 1st January 2007 to 30th June 2008.

d Council meetings

16 meetings of Council Members (including meetings of committees of Council Members) were held during the period. The attendance by each Council Member during the period was as follows:

Council Meetings		
Number eligible to attend	Number attended	
Margaret Roberts	16	15
Merle Mitchell (Resigned 01/03/2007)	2	2
Anne Corder	16	14
Claudia Hirst	16	10
Chris Simpson	16	8
Marilyn Webster	16	7
Maria Brett	16	16
Vanessa Mathews (Resigned 06/12/2007)	11	4
Diana Batzias	16	15
Karen Cariss (Joined 06/03/2008)	4	2
Sally Nicholes (Joined 06/03/2008)	4	2

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Council of Management Report

For the period ended 30 June 2008

1. Other matters continued

e Dividends

The company is precluded from the declaration or payment of dividends by its Constitution. Any accumulated surplus remaining on winding up is to be distributed to like not for profit organisations.

f Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory

g Events subsequent to balance date

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

h Insurance paid

Since the end of the previous financial year the Company has not indemnified or insured any Council Member or officer of the Company.

i Likely developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

j Options

The company is a company limited by guarantee and as such cannot issue options.

k Proceedings

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

The company was not a party to any such proceedings during the period.

l State of affairs

No significant changes in the company's state of affairs occurred during the financial period.

m Surplus / deficit

The deficit of International Social Service - Australian Branch amounted to \$ (36,143).

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Council of Management Report

For the period ended 30 June 2008

2. Other items

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 4.

Signed in accordance with a resolution of the Council:

President:

Honorary Treasurer:

Dated this day of 2008

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Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2008 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

Dated:

Blackburn

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Income Statement

For the period ended 30 June 2008

		2008 (18 months)	2006
	Note	\$	\$
Revenue	2	836,550	413,666
Employee benefits expense		(630,205)	(304,439)
Depreciation, amortisation and impairments	3	(26,219)	(16,006)
Other expenses		(56,133)	(33,184)
National office direct program costs		-	(33,132)
Repairs and maintenance		(13,086)	(4,382)
Travel expenses		(20,561)	(13,813)
Printing, Stationery & Equipment		(12,936)	(7,151)
Communications & Postage		(17,948)	(9,382)
Mediation training project 2007		(39,137)	-
General secretariat membership		(14,030)	(14,000)
Rental, Outgoings & Occupancy Costs		(42,437)	(25,210)
Total expenses		872,693	460,699
Surplus for the year		(36,143)	(47,033)

The accompanying notes form part of the financial statements

International Social Service - Australian Branch

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Balance Sheet

As At 30 June 2008

		2008 (18 months)	2006
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	154,205	292,423
Trade receivables	5	17,321	9,323
Other current assets	5	2,244	9,549
Total current assets		173,770	311,295
Non-current assets			
Property, plant and equipment	6	561,187	579,565
Total non-current assets		561,187	579,565
TOTAL ASSETS		734,957	890,860
LIABILITIES			
Current liabilities			
Trade and other payables	7	65,608	205,189
Bank overdraft	8	814	1,035
Short-term provisions	9	25,909	5,867
Total current liabilities		92,331	212,091
TOTAL LIABILITIES		92,331	212,091
NET ASSETS		642,626	678,769
EQUITY			
Reserves	10	616,226	616,226
Accumulated surpluses		26,400	62,543
TOTAL EQUITY		642,626	678,769

The accompanying notes form part of the financial statements

International Social Service - Australian Branch

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Statement of Changes in Equity

For the period ended 30 June 2008

2008 (18 months)

	Retained Earnings	Asset Revaluation Reserve	Capital Profit Reserves	Total
	\$	\$	\$	\$
Balance at 1 January 2007	62,543	425,600	190,626	678,769
Deficit attributable to members	(36,143)	-	-	(36,143)
Transfers to and from reserves				
Balance at 30 June 2008	26,400	425,600	190,626	642,626

2006

	Retained Earnings	Asset Revaluation Reserve	Capital Profit Reserves	Total
	\$	\$	\$	\$
Balance at 1 January 2006	109,576	310,875	190,626	611,077
Profit attributable to members	(47,033)	-	-	(47,033)
Revaluation increment	-	114,725	-	114,725
Transfers to and from reserves				
Balance at 31 December 2006	62,543	425,600	190,626	678,769

The accompanying notes form part of the financial statements

International Social Service - Australian Branch

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Statement of Cash Flows

For the period ended 30 June 2008

	2008 (18 months)	2006
Note	\$	\$
Cash from operating activities:		
Receipts from customers	700,323	415,159
Payments to suppliers and employees	(848,563)	(960,893)
Interest received	18,084	-
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	13 (130,156)	(545,734)
	<hr/>	<hr/>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(7,841)	(818)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(7,841)	(818)
	<hr/>	<hr/>
Net increase (decreases) in cash held	(137,997)	(546,552)
Cash and cash equivalents at beginning of period	291,388	837,940
	<hr/>	<hr/>
Cash at end of financial year	4 153,391	291,388
	<hr/>	<hr/>

The accompanying notes form part of the financial statements

International Social Service - Australian Branch

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Notes to the Financial Statements

For the Period Ended 30 June 2008

Note 1 Accounting policies

1a General information

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

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

1b Basis of preparation

Reporting basis

The financial report has 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 report. The accounting policies have been consistently applied, unless otherwise stated.

The report has 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.

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Notes to the Financial Statements

For the Period Ended 30 June 2008

Note 1 Accounting policies continued

1c Property, plant and equipment

Land and buildings

Freehold land and buildings are shown at cost 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.

1d 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 income statement.

1e 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.

1f 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 Period Ended 30 June 2008

Note 2 Revenue

	2008	2006
	\$	\$
Operating grants		
NSW Dept of Community Services Accountability	10,936	9,064
NSW Dept of Community Services Building	11,980	8,020
NSW Dept of Community Services Child Migrant Pjt	16,256	50,354
Dept of FaCSIA (DV/IPCA)	5,400	20,600
NSW Department of Community Services Core	118,132	75,831
Attorney-General's Department (IPCA AG)	209,025	91,736
ISS International Geneva	63,526	-
NSW Dept of Community Services Core Family Support	191,440	-
QLD Department of Communities	12,102	7,750
VIC Department of Planning & Development	2,500	-
Other operating grants	-	59,104
Donations	68,273	28,068
Rental income	16,467	4,950
Interest income	18,084	31,764
Other income	92,430	26,425
Total	836,550	413,666

Note 3 Surplus from Ordinary Activities

Expenses from Ordinary Activities

Depreciation of property, plant and equipment	26,219	16,006
Remuneration of auditor Auditing or reviewing the financial report	6,160	1,500

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Notes to the Financial Statements

For the Period Ended 30 June 2008

Note 4 Cash and cash equivalents

	2008	2006
	\$	\$
Cash on hand	432	597
Cash at bank	73,773	225,326
Short-term bank deposits	80,000	66,500
	<u>154,205</u>	<u>292,423</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	154,205	292,423
Bank overdraft	(814)	(1,035)
	<u>153,391</u>	<u>291,388</u>

Note 5 Trade and other receivables

CURRENT

Trade receivables	17,321	9,323
Prepayments	2,244	9,549
	<u>19,565</u>	<u>18,872</u>

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Notes to the Financial Statements

For the Period Ended 30 June 2008

Note 6 Property plant and equipment

	2008	2006
	\$	\$
Buildings		
At directors' valuation	572,600	572,600
Less accumulated depreciation	(21,473)	-
Total buildings	<u>551,127</u>	<u>572,600</u>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	67,737	67,222
Less accumulated depreciation	(64,750)	(60,257)
Total furniture, fixtures and fittings	<u>2,987</u>	<u>6,965</u>
Computer equipment		
At cost	7,326	-
Less accumulated depreciation	(253)	-
Total computer equipment	<u>7,073</u>	<u>-</u>
Total plant and equipment	<u>10,060</u>	<u>6,965</u>
Total property, plant and equipment	<u>561,187</u>	<u>579,565</u>

The building valuation in 2006 of \$572,600 (Valuation price less estimated costs to sell) was carried out as at 31 December 2006 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 2003 where the building was valued at \$495,000.

In revaluing freehold land and buildings the Council Members have not taken into account the potential impact of capital gains tax on the grounds that such assets are an integral part of the organisation's operations and there is no intention to sell the assets.

Note 7 Trade and other payables

CURRENT		
Trade payables	30,608	10,401
Grants received in advance	35,000	194,788
	<u>65,608</u>	<u>205,189</u>

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Notes to the Financial Statements

For the Period Ended 30 June 2008

Note 8 Borrowings

	2008	2006
	\$	\$
CURRENT		
Bank overdraft	814	1,035
	<u>814</u>	<u>1,035</u>

Note 9 Provisions

CURRENT		
Employee benefits	25,909	5,867
	<u>25,909</u>	<u>5,867</u>

Note 10 Reserves

10a Capital Profits Reserve

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

10b Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non current assets.

Note 11 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	28,800	11,473
- between 12 months and 5 years	31,200	-
	<u>60,000</u>	<u>11,473</u>

The above operating lease attach to the rented premise at Kent Street in New South Wales. The lease will terminate in July 2010 and currently there is no option for extension.

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Notes to the Financial Statements

For the Period Ended 30 June 2008

Note 12 Contingent Liabilities and Contingent Assets

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

	2008	2006
	\$	\$
Contingent Liabilities		
Rental bond guarantees held by Bendigo Bank Private Banking Services Centre in favour of third parties	7,200	-

Note 13 Cash Flow Information

Reconciliation of cashflow from operations with surplus for the period

Net deficit for the period	(36,143)	(47,033)
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus		
Depreciation	26,219	16,006
changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(693)	1,493
(Increase)/decrease in prepayments	-	(2,930)
Increase/(decrease) in trade payables and accruals	20,207	(515,355)
Increase/(decrease) in other payables	(159,788)	(322,459)
Increase/(decrease) in provisions	20,042	2,085
	<u>(130,156)</u>	<u>(868,193)</u>

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Notes to the Financial Statements

For the Period Ended 30 June 2008

Note 14 Change in Accounting Policy

The following Australian Accounting Standards issued or amended and are applicable to the association but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standard Affected	Outline of Amendment	Application Date of Standard	Application Date for the Entity
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of recognised income and expenditure.	1 January 2009	1 July 2009
AASB 101	AASB 101: Presentation of Financial Statements	As above	1 January 2009	1 July 2009

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Council of Management's Declaration

The Council Members of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 16, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the period ended on that date of the company.
2. In the Council Members' 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 Council Members.

President

Honorary Treasurer

Dated