



chartered accountants

International Social Service - Australian Branch

ABN: 12 004 508 641

Financial Statements

For the Year Ended 30 June 2009

International Social Service - Australian Branch

ABN: 12 004 508 641

For the Year Ended 30 June 2009

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International Social Service - Australian Branch

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Council of Management Report

30 June 2009

Your Council Members present their report on the company for the financial year ended 30 June 2009.

1. Other matters

a Business review

A review of the operations of company during the financial year 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 year.

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 prior year's financial report will cover the eighteen (18) month period from 1st January 2007 to 30th June 2008 whilst the current year's financial report will cover the 12 month period from 1st July 2008 to 30th June 2009.

d Council meetings

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

Council Meetings		
Number eligible to attend	Number attended	
Anne Cordner	11	6
Barbara Lane (Appointed as Director - 6 February 2009)	5	5
Chris Simpson	11	7
Claudia Hirst	11	6
Diana Batzias	11	11
Fionn Skiotis (Appointed as Secretary - 27 April 2009)	3	2
Karen Cariss	11	11
Margaret Harrison (Appointed as Director - 24 March 2009)	4	3
Margaret Roberts	11	10
Maria Brett (Resigned as Secretary 24 February 2009)	7	7
Marilyn Webster	11	4
Sally Nicholes	11	1

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Council of Management Report

30 June 2009

1. Other matters continued

e Surplus / deficit

The deficit from ordinary activities after providing for income tax amounted to \$ (9,484) (2008: \$ (36,143)).

f 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.

g 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

h Events subsequent to balance date

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

i Insurance paid

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$ 183 for each director.

Anne Cordner	Karen Cariss
Barbara Lane	Margaret Harrison
Chris Simpson	Margaret Roberts
Claudia Hirst	Maria Brett
Diana Batzias	Marilyn Webster
Fionn Skiotis	Sally Nicholes

j 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.

k Options

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

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Council of Management Report

30 June 2009

1. Other matters continued

l 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 year.

m State of affairs

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

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 2009

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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 2009 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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Income Statement

For the Year Ended 30 June 2009

		2009	2008
	Note	\$	(18 months) \$
Revenue	2	637,855	836,550
Other expenses		(53,375)	(56,133)
Employee benefits expense		(479,263)	(630,205)
Repairs and maintenance		(11,258)	(13,086)
Depreciation, amortisation and impairments	3	(18,464)	(26,219)
Printing, stationery and equipment		(1,484)	(12,936)
Communications and postage		(12,165)	(17,948)
Travel expenses		(11,946)	(20,561)
General secretariat membership		(14,255)	(14,030)
Rental, outgoing and occupancy costs		(45,129)	(42,437)
Mediation training project 2007		-	(39,137)
Total expenses		647,339	872,693
Deficit for the year		(9,484)	(36,143)

The accompanying notes form part of the financial statements

International Social Service - Australian Branch

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Balance Sheet

As At 30 June 2009

		2009	2008
			(18 months)
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	173,611	154,205
Trade receivables	5	10,504	17,321
Other current assets	5	3,564	2,244
Total current assets		187,679	173,770
Non-current assets			
Property, plant and equipment	6	542,723	561,187
Total non-current assets		542,723	561,187
TOTAL ASSETS		730,402	734,957
LIABILITIES			
Current liabilities			
Trade and other payables	7	81,035	65,608
Bank overdraft	8	1,181	814
Short-term provisions	9	15,043	25,909
Total current liabilities		97,259	92,331
TOTAL LIABILITIES		97,259	92,331
NET ASSETS		633,143	642,626
EQUITY			
Reserves	10	621,226	616,226
Accumulated surpluses		11,917	26,400
TOTAL EQUITY		633,143	642,626

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 Year Ended 30 June 2009

2009

Note	Retained Earnings \$	Capital Profits Reserve \$	Asset Revaluation Reserve \$	Donation Reserve \$	Total \$
Balance at 1 July 2008	26,401	425,600	190,626	-	642,627
Deficit attributable to members	(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

2008 (18 months)

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

The accompanying notes form part of the financial statements

International Social Service - Australian Branch

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Statement of Cash Flows

For the Year Ended 30 June 2009

	2009	2008
		(18 months)
Note	\$	\$
Cash from operating activities:		
Receipts from customers	682,804	700,323
Payments to suppliers and employees	(678,458)	(848,563)
Interest received	14,692	18,084
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	13 19,038	(130,156)
	<hr/>	<hr/>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	-	(7,841)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	-	(7,841)
	<hr/>	<hr/>
Net increase (decreases) in cash held	19,038	(137,997)
Cash and cash equivalents at beginning of year	153,391	291,388
	<hr/>	<hr/>
Cash at end of financial year	4 172,429	153,391
	<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 Year Ended 30 June 2009

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 Year Ended 30 June 2009

Note 1 Accounting policies continued

1c 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.

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 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. 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Note 1 Accounting policies continued

1f 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.

1g 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).

1h Leases

Operating leases - revenue

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.

1i New Accounting Standards for Application in Future Periods

AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Note 2 Revenue

	2009	2008 (18 months)
	\$	\$
Operating grants		
NSW Dept of Community Services Accountability	-	10,936
NSW Dept of Community Services Building	-	11,980
NSW Dept of Community Services Child Migrant Project	-	16,256
Dept of FaCSIA (DV/IPCA)	-	5,400
NSW Department of Community Services Core	82,229	118,132
Attorney-General's Department (IPCA AG)	200,569	209,025
ISS International Geneva	-	63,526
NSW Dept of Community Services Core Family Support	197,599	191,440
QLD Department of Communities	8,457	12,101
VIC Department of Planning & Development	-	2,500
Donations	50,615	68,273
Rental income	14,058	16,467
Interest income	14,749	18,084
Other income	69,580	92,430
Total	637,856	836,550

Note 3 Surplus from Ordinary Activities

Expenses from Ordinary Activities

Depreciation of property, plant and equipment	18,464	26,219
Remuneration of auditor		
Auditing or reviewing the financial report	4,950	4,785
Other services	2,450	1,375

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Note 4 Cash and cash equivalents

	2009	2008 (18 months)
	\$	\$
Cash on hand	584	432
Cash at bank	33,637	73,773
Short-term bank deposits	139,390	80,000
	<u>173,611</u>	<u>154,205</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	173,611	154,205
Bank overdraft	(1,181)	(814)
	<u>172,430</u>	<u>153,391</u>

Note 5 Trade and other receivables

CURRENT

Trade receivables	10,504	17,321
Prepayments	3,564	2,244
	<u>14,068</u>	<u>19,565</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Note 6 Property plant and equipment

	2009	2008 (18 months)
	\$	\$
Buildings		
At directors' valuation	572,600	572,600
Less accumulated depreciation	(35,788)	(21,473)
Total buildings	<u>536,812</u>	<u>551,127</u>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	15,132	67,737
Less accumulated depreciation	(13,855)	(64,750)
Total furniture, fixtures and fittings	<u>1,277</u>	<u>2,987</u>
Computer equipment		
At cost	7,326	7,326
Less accumulated depreciation	(2,692)	(253)
Total computer equipment	<u>4,634</u>	<u>7,073</u>
Total plant and equipment	<u>5,911</u>	<u>10,060</u>
Total property, plant and equipment	<u>542,723</u>	<u>561,187</u>

The building valuation 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Note 6 Property plant and equipment continued 6a 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 at cost \$	Furniture, Fixtures and Fittings \$	Computer Equipment \$	Total \$
Current 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>
Prior Year				
Balance at the beginning of the year	572,600	6,965	-	579,565
Additions	-	515	7,326	7,841
Depreciation expense	(21,473)	(4,493)	(253)	(26,219)
Carrying amount at the end of year	<u>551,127</u>	<u>2,987</u>	<u>7,073</u>	<u>561,187</u>

Note 7 Trade and other payables

	2009 \$	2008 (18 months) \$
CURRENT		
Trade payables	21,035	30,608
Grants received in advance	60,000	35,000
	<u>81,035</u>	<u>65,608</u>

Note 8 Borrowings

CURRENT		
Bank overdraft	1,181	814
	<u>1,181</u>	<u>814</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Note 9 Provisions

	2009	2008 (18 months)
	\$	\$
CURRENT		
Employee benefits	15,043	25,909
	<u>15,043</u>	<u>25,909</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.

10c Donation Reserve

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

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

- between 12 months and 5 years

28,800	28,800
2,400	31,200
<u>31,200</u>	<u>60,000</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 Year Ended 30 June 2009

Note 12 Contingent Liabilities and Contingent Assets

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

	2009	2008 (18 months)
	\$	\$
Contingent Liabilities		
Rental bond guarantees held by Bendigo Bank Private Banking Services Centre in favour of third parties	7,200	7,200

Note 13 Cash Flow Information

Reconciliation of cashflow from operations with surplus for the year

Net deficit for the period	(9,484)	(36,143)
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus		
Depreciation	18,464	26,219
changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	5,497	(693)
Increase/(decrease) in trade payables and accruals	15,427	20,207
Increase/(decrease) in other payables	-	(159,788)
Increase/(decrease) in provisions	(10,866)	20,042
	<u>19,038</u>	<u>(130,156)</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2009

Note 14 Economic Dependency

Approximately 75% 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 15 Company Details

Registered office

The registered office of the company is:

International Social Service - Australian Branch
Level 2, 313-315 Flinders Lane
Melbourne VIC 3000

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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 18, 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 2009 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 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