

**SOUTH AUSTRALIAN NETWORK OF DRUG AND  
ALCOHOL SERVICES INC**

**FINANCIAL REPORT**  
FOR THE YEAR ENDED 30 JUNE 2016

**SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC**

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Revenue		403,362	502,830
Other expenses		<u>(384,451)</u>	<u>(483,466)</u>
<b>Profit before income tax</b>		18,911	19,364
Income tax expense		<u>-</u>	<u>-</u>
<b>Profit for the year</b>		<u><u>18,911</u></u>	<u><u>19,364</u></u>
Profit attributable to members of the entity		<u><u>18,911</u></u>	<u><u>19,364</u></u>

The accompanying notes form part of these financial statements.

**SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	2	256,089	216,179
Accounts receivable and other debtors	3	882	11,276
Other current assets	4	2,539	2,550
<b>TOTAL CURRENT ASSETS</b>		<b>259,510</b>	<b>230,005</b>
<b>TOTAL ASSETS</b>		<b>259,510</b>	<b>230,005</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	6	29,894	20,547
Borrowings	7	2,700	1,082
Provisions	8	12,061	12,432
<b>TOTAL CURRENT LIABILITIES</b>		<b>44,655</b>	<b>34,061</b>
<b>TOTAL LIABILITIES</b>		<b>44,655</b>	<b>34,061</b>
<b>NET ASSETS</b>		<b>214,855</b>	<b>195,944</b>
<b>MEMBERS' FUNDS</b>			
Retained earnings		<b>214,855</b>	<b>195,944</b>
<b>TOTAL MEMBERS' FUNDS</b>		<b>214,855</b>	<b>195,944</b>

The accompanying notes form part of these financial statements.

# **SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act 1985 South Australia. The board has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

#### **(a) Property, Plant and Equipment**

All property, plant and equipment except for freehold land and buildings are initially measured at cost and are depreciated over their useful lives to the association.

The carrying amount of plant and equipment is reviewed annually by the board to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

#### **(b) 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).

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 balance sheet are shown inclusive of GST.

#### **(c) Revenue and Other Income**

Grant income is recognised when the entity obtains control over the funds, which is generally at the time of receipt. If conditions are attached to the grant that must be satisfied before the Association is eligible to received the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied. These amounts are carried forward as a liability in the financial statements and are disclosed as Unexpended Project Funds in Trade and Other Payables.

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

Revenue for the provision of goods and services is recognised upon the delivery of the goods and services to the customers.  
rates applicable to the financial assets.

Revenue for the provision of goods and services is recognised upon the delivery of the goods and services to the customers.

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

# SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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**(d) Commitments**

The Association currently holds a lease agreement for 204 Wright Street, Adelaide. Rent Expense in 2016 was \$18,840. (2015: \$13,875).

**(e) Economic Dependency**

The Association incurred an operating profit in 2016 of \$18,911 (2015 profit of \$19,364).

The Association receives significant funding from Government Grants. The extent to which the Association will be able to continue the provision of services at current levels is dependent on the continuation of appropriate levels of Government Funding, the achievement of operating surpluses and positive operating cash flows.

The Association has renewed the following service agreements with the State and Federal Government:

Grant	Funding p.a (Ex GST)	Agreement Expiration Date
	\$	\$
CSCBSPP (Cwth)	232,646	30 June 2017
Mental Health and Substance Abuse	133,057	30 June 2018

In addition, an indexation adjustment payment is expected to be received from the Government for core funding.

**SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016 (Continued)**

	2016 \$	2015 \$
<b>2. CASH ON HAND</b>		
Petty cash imprest	220	70
Cheque Account	4,834	3,380
Cash Reserve	98,628	212,729
Term Deposit	152,407	-
	<u>256,089</u>	<u>216,179</u>
<b>3. ACCOUNTS RECEIVABLE AND OTHER DEBTORS</b>		
<b>CURRENT</b>		
Trade receivables	<u>882</u>	<u>11,276</u>
<b>4. OTHER CURRENT ASSETS</b>		
<b>CURRENT</b>		
Prepayments	<u>2,539</u>	<u>2,550</u>
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Office furniture and equipment	17,705	17,705
Less accumulated depreciation	(17,705)	(17,705)
<b>Total property, plant and equipment</b>	<u>-</u>	<u>-</u>
<b>6. ACCOUNTS PAYABLE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Good and services tax	6,501	3,178
Sundry creditors	-	2,250
Trade creditors	101	4,285
Unexpended Grant Funds	10,000	-
Withholding taxes payable	11,480	9,131
Superannuation Payable	1,812	1,703
	<u>29,894</u>	<u>20,547</u>
<b>7. BORROWINGS</b>		
<b>CURRENT</b>		
Westpac Mastercard	<u>2,700</u>	<u>1,082</u>
<b>8. PROVISIONS</b>		
<b>CURRENT</b>		
Employee Benefits	<u>12,061</u>	<u>12,432</u>

# SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

## BOARD'S REPORT

The board members submit their financial report of South Australian Network of Drug and Alcohol Services Inc for the financial year ended 30 June 2016.

### Board Members

The names of the Board members throughout the year and at the date of this report are:

Ms Helene Nielsen	Chair	Centacare Organisation Member
Mr Mark Anders	Treasurer	Individual member
Ms Carol Gannon	Secretary	Streetlink Organisation Member
Mr Michael White	Executive Officer / Public Officer	Individual member
Mr Mark Hubbard		Individual member
Ms Karen Flenche		Salvation Army Organisation Member
Ms Debby Kadarusman		Drug ARM Organisation Member
Mr Kyp Boucher		Life Without Barriers Organisation Member
Mr Ben Hehir		NACYS Organisation Member
Mr Adam Sherwood		Mission Australia Organisation Member
Ms Deirdre Flynn		Catherine House Organisation Member
Ms My Phuong Sramek		CASSA Organisation Member

### Principle Activities

South Australian Network of Drug and Alcohol Services purpose is:

To provide independent, state wide representation and advocacy for non-government organisations working in the alcohol and other drug sector and to support and enhance efficiency through networking and policy development.

### Significant Changes

No significant change in the nature of these activities occurred during the financial year.

### Operating Result

The profit after providing for income tax amounted to \$18,911.

In accordance with Section 35 (5) of the Associations Incorporation Act (SA) 1985, the Board hereby states that during the financial year ended 30 June 2016:

- (1) No officer of the Association,
  - (2) No firm of which an officer is a member, and
  - (3) No body corporate in which the officer has a substantial interest
- Has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporate body and the Association.

No officer of the Association has received directly or indirectly from the Association any payment or other benefit of pecuniary value.

Signed in accordance with a resolution of the members of the board:



**Helene Nielsen**  
Chair



**Mark Anders**  
Treasurer

Dated: 24 October 2016

# SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

## STATEMENT BY MEMBERS OF THE BOARD

The board has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the board of South Australian Network of Drug & Alcohol Services, the members of the board declare that the financial statements as set out on pages 2 to 6:

1. present fairly the financial position of South Australian Network of Drug & Alcohol Services as at 30 June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporations Act 1985; and
2. at the date of this statement there are reasonable grounds to believe that the South Australian Network of Drug & Alcohol Services will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the board by:

**Chair**

  
\_\_\_\_\_  
**Helene Nielsen**

**Treasurer**

  
\_\_\_\_\_  
**Mark Anders**

**Dated:** 24 October 2016



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
SOUTH AUSTRALIAN NETWORK OF DRUGS AND ALCOHOL SERVICES INC.**

**Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of South Australian Network of Drug and Alcohol Services Inc. (the association), which comprises the statement of financial position as at 30 June 2016 for the year then ended, the statement of profit and loss, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

*Committee's Responsibility for the Financial Report*

The committee of the association is 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 consistent with the financial reporting requirements of the Associations Incorporation Act (SA) 1985 and are appropriate to meet the needs of the members. The committee's responsibilities also include designing, implementing 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 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 judgment, 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 committee, 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 committee's financial reporting under the Associations Incorporation Act (SA) 1985. 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.

*Independence*

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
SOUTH AUSTRALIAN NETWORK OF DRUGS AND ALCOHOL SERVICES INC.**

*Auditor's Opinion*

In our opinion, the financial report of South Australian Network of Drug and Alcohol Services Inc. presents fairly, in all material respects the financial position of South Australian Network of Drug and Alcohol Services Inc. as of 30 June 2016 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporations Act (SA) 1985.

Name of firm: PKF Kennedy

Name of partner: Steven A Russo CA

A handwritten signature in blue ink, consisting of several overlapping loops and strokes, positioned above the address and date text.

Address: Lvl 9, 81 Flinders Street, Adelaide SA

Dated this 24<sup>th</sup> day of October 2016