

SANDAS

SA Network of Drug and Alcohol Services

2010-11 AGM



South Australian Network of Drug & Alcohol Services



**Government
of South Australia**

SA Health

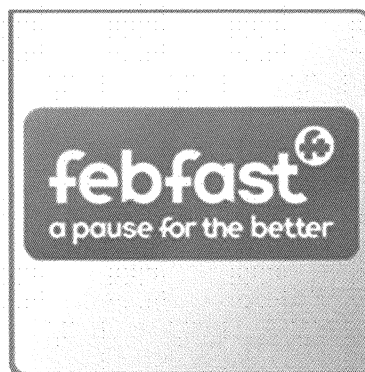


Australian Government

Department of Health and Ageing



Foundation for Alcohol
Research & Education



Front page design by Rita Fu and Mitchell Wheatcroft the current social work students undertaking placement at SANDAS.

SANDAS BAORD OF MANAGEMENT 2010 2011

Trevor Bignell	Chair (Executive Committee)
Helene Nielsen	Treasurer (Executive Committee) (Vac Renom)
Sam Raven	Secretary (Executive Committee)
Leslie Edwards	Appointed as Individual Member (Resigned Vac)
Chris Riley	Aboriginal Sobriety Group (Resigned Vac)
Lan Nguyen	Vietnamese Community
Graham Ross	Teen Challenge (Resigned Vac)
Ian Townsend	Baptist Care SA (Resigned Vac)
Mel McDermott	Appointed as Individual Member
Daniela Musolino	Towards Independence
Jeremy Davidson-Tear	Individual Member
Andris Banders	Executive Officer (non voting)

SANDAS STAFF

Rosie Way	Co Morbidity Project Officer
Carol Mason	Finance Officer
Andrew Biven	Co Morbidity Project Coordinator
Andris Banders	Executive Officer

Vision

To enhance community well being and reduce the harms associated with alcohol and drug use through a state network of Non-Government Organizations working in the alcohol and other drug sector.

Mission / Purpose

To provide independent, state wide representation and advocacy for Non-Government Organizations working in the alcohol and other drug sector and to support and enhance efficacy through networking and policy development.

Roles / Objectives

As the peak body for Non-Government Organizations in the alcohol and other drug sector, the key objectives of SANDAS will include:

- To provide strong, independent representation and advocacy for NGO's to governments and key policy making bodies.
- To develop strategic affiliations, alliances and partnerships with key stakeholders.
- To provide significant networking opportunities and enhance communication and the sharing of information throughout the AOD sector.
- To inform quality service delivery and workforce development for NGO's in the AOD sector.
- To enable NGO's to play an active role in the development of policies related to AOD in the community.
- To contribute to a South Australian community that is well informed about issues related to alcohol and other drugs.
- To respect the diversity of experience and viewpoint within the community of South Australian NGO's working in the AOD sector.

In carrying out these objects, SANDAS must base its practice on:

- The principles of social justice, equity, reconciliation and cultural inclusiveness.
- A social view of AOD usage that recognizes structural inequalities and the wide range of factors that influence AOD usage including poverty, gender, culture, violence and personal disability.

Strategic Directions

Direction 1:

Provide members with the support, services and resources to achieve continuously improving sector outcomes.

Direction 2:

Adopt and advocate for best practice governance, organisational development and service delivery.

Direction 3:

Provide high levels of accountability to our membership, funders and strategic partners.

Direction 4:

Be a sustainable organisation, assisting our members' sustainability.

Direction 5:

Be effective and dynamic in our communication.

SANDAS Membership 2010 - 2011

In accordance with 5.8 of the SANDAS Constitution 2008 a Register of Members is maintained by the Executive. The Register is updated through the year and is available for inspection.

Chairperson's Report 2010-2011

I would like to start by thanking the members for their continued support of the organization and the sector. SANDAS has continued to represent the AOD NGO sector in South Australia in a year that precedes new funding rounds at both state and Commonwealth levels. At the time of writing my report the sector finds itself in the middle of SA Health and DoHA tenders, spreading our members' limited resources more thinly and again asking our staff to go several extra yards.

SANDAS has been working in a context of considerable change in the reporting period. Federal health reforms have included a restructure of primary health care with an as yet unclear picture of where AOD NGO services might sit. DoHA have, through the Improved Services Initiative (ISI) and Cross Sector Support Services Project (CSSSP) capacity building funds signaled the need for the sector to prepare services that address multiple morbidities.

At the state level, SA Health has commenced a process of restructuring both its reporting areas and reporting lines. AOD services will in 2011-2012 report through a directorate which includes substance misuse and mental health.

These developments take place across many fronts and in many meeting and forums. SANDAS has taken an active role in the reform process and in the debate and discussions, where this has been possible. While such change makes it hard for a small peak to spread its influence and effort, I believe SANDAS has been successful in getting our sector to the "table". The reform process also offers opportunities for stronger representation and SANDAS will take up those opportunities when and where it can. SANDAS will need to ensure that its role in the whole AOD system across the state is understood, acknowledged and better resourced.

2010, also saw the beginning of a new strategic planning process for SANDAS to develop its 2011 – 2014 Strategic Plan. The Board wants the AOD NGO sector to be well placed in any major changes and as such needs to ensure its planning allows for both growth and responsiveness. The member and stakeholder survey work will occur in the latter part of 2011 and responses will be reflected in the strategic plan.

I would like to thank Executive team for their ongoing efforts in the face of limited and changing resources. Other parts of the annual report go into more detail of the work undertaken on behalf of the membership.

I would particularly like to thank Carol Mason, our Finance Officer, and Rosie Way the Acting Co Morbidity Coordinator, for her work on the CSSSP and working with ISI funded organizations as well as delivering a range of training and providing event

coordination for the sector. The close of the financial year also saw the retirement of Andrew Biven from SANDAS and the Co Morbidity Project, which placed some additional burden on Carol, Rosie and Andris, the Executive Officer.

The Executive team has started to rebuild a range of internal administration and governance systems. It has also started a process of improving project selection, development, management and delivery. The expectations of funding bodies are getting more businesslike and SANDAS needs to ensure it can meet any new requirements. The SANDAS Board has also started a closer examination of models of sustainability if there is a change in its grants base.

As I mentioned in my report last year, SANDAS faces challenges. Our 3 year core funding from SA Health has needed and in 2011- 2012 we will be operating on a 12 month Service Agreement. The Board continues to look at ways of addressing the longer term financial stability.

In addition to thanking all Board members I would like to thank my colleagues on the Executive Committee. We need to move as a flexible unit to get the work done as many parts of the authority delegated by the Board need to be executed in short time frames. The commitment and support of Helene Nielsen as Treasurer and Sam Raven as Secretary has been very greatly appreciated.

It is my assessment that all Board members (Directors) have met their duties under 8.2 of the SANDAS Constitution 2008 and acted in good faith, for the benefit of the Association and exercised their powers for a proper purpose.

The financial position of SANDAS, based on the successfully completed audit, suggests we will be able to make further improvements to our strategic aims and operations. I look forward to the ongoing strong progress that can be made. Again I thank the staff team and membership, as together this is what has and will make a difference.

Trevor Bignell
Chairperson

SANDAS Treasurer's Report 2010 - 2011

This financial year marks the completion of my first year as SANDAS Treasurer. It has been interesting and challenging work and in addition to serving SANDAS, it has provided me with valuable experience and professional development in organizational governance.

As members may be aware, the SANDAS Board delegated several aspects financial and risk management oversight to the Executive Committee (EC) which is comprised of the Chair, Secretary, Executive Officer and by appointment (10.2 of the Constitution), the Treasurer. Much of the work through the year occurred in the EC which met bi-monthly and reported to Board.

The year also saw changes in the way SANDAS managed its financial administration and operations. There have been several changes and improvements. SANDAS brought certain financial, book keeping and payroll functions in-house and employed Carol Mason as a 0.5FTE Finance Officer. Both the Board and the Executive Committee have expressed their gratitude for Carol's diligent and thorough approach and work to what was at times a difficult transition.

SANDAS also signed an accounting agreement with Kennedy & Co to support the in house function with matters requiring expertise to meet Australian Accounting Standards with regard to reporting and some acquittals requirements. SANDAS thanks Baptist Care for the financial services support it received prior to and during the transition.

SANDAS also reviewed its relationship with its previous auditor, Major, May & Associates and determined a change was appropriate. In accordance with its powers in the SANDAS Constitution 2008, the Board approved the appointment of Steven A Russo, of the Audit function of Kennedy and Co. The selection was based on cost effectiveness, reporting efficiencies and the wish of the Board to have a most rigorous audit process.

I encourage all members to read the attached audited SANDAS Financial Report for the year ended 30 June 2011. While the Income Statement shows an operating loss of \$9,800 for the reporting period the timing of funding payments due in that period, arrived in the 2011 – 2012 period and in fact the two main funding sources from DoHA and SA Health provide some surplus which was committed to in the 2010 – 2011 work plan but not expensed in that period.

SANDAS has only received a funding extension from SA Health (DASSA) to 30th June 2012. There are sufficient funds to complete operations to that date. The Board will be working closely with SA Health to endure funding beyond the 30th June 2012.

My report is supplemented by that of Carol Mason, SANDAS Finance Officer. These reports and the auditor's report jointly meet the (12.9) Financial Reporting requirements of the SANDAS Constitutions 2008.

Helene Nielsen

Treasurer - SANDAS

SANDAS Finance Officer Report 2010 - 2011

SANDAS took self-management of its financial records on 5 August 2010. This move to bring financial reporting in-house will be the basis of higher quality financial management for several areas of SANDAS operations.

Highlights

- **Engagement of external accountant**

Kennedy & Co Chartered Accountants were engaged in May 2011 to provide taxation/accounting/management services to SANDAS. They will attend to the review of quarterly BAS returns and acquittals as required, review of annual accounts prior to audit and other management matters and advice as required.

Whilst preparing grant acquittals for 30 June 2010, it came to our attention that there were some discrepancies in the audited accounts for 30 June 2010. Kennedy & Co liaised with Major, May & Associates in May 2011 and an amended and correct set of special purpose financial accounts was prepared.

- **Adoption of Government Agencies Reporting mechanism**

In February 2011 we obtained an AUSKEY which is a single key to access government online services. This has enabled us to:

- Lodge IAS and BAS returns
- Lodge annual PAYG Payment Summaries
- Update organisational information on the Australian Business Register
- Lodge the Payroll Tax Annual reconciliation with Revenue SA

- **Adoption of Standard Chart of Accounts for the Not-for-Profit Sector (SCOA)**

As SANDAS was part of the Not-for-Profit Working Group for South Australia, we adopted the SCOA format in August 2010 when setting up our MYOB software. The SCOA became mandatory for SA Government departments for all new funding programs with NFP community organisations from 1 July 2011. NFP organisations can, if they wish, continue to use their existing chart of accounts.

The SCOA provides a clear standard for financial information and supports consistency in bookkeeping and financial reporting. This increase in the quality of financial information available will assist the SANDAS Board to improve financial decision making.

- **ATO compliance**

To assist with cash flow, and with the consent of the Executive Committee, a request was made to the ATO in July 2011 to withdraw our annual GST reporting election and change the GST tax period to quarterly. The ATO approved our request and our new tax period began 1st July 2011.

- **Engagement of auditor**

The auditing services of Kennedy & Co have been engaged to undertake the audit of the 2010 / 2011 financial accounts. They operate independently of the accounting services. At the conclusion of the audit they will make recommendations possibly suggesting more efficient systems and/or identifying weaknesses and strengths. SANDAS was required to sign an Auditor Representation Letter and Auditors were provided with copies of Board Minutes, Staff Employment Contracts, the office lease and the SANDAS Constitution to support the audit.

Building on the work of 2010 -2011

- **Australian Service Excellence Standards (ASES)**

On 6th September 2011 we received confirmation of our Registration to take part in ASES.

My role will be examined and revised to include aspects of quality improvement for SANDAS as an organization. Our completion of the ASES requirements will comply with 11.4 Quality, in our DASP Service Agreement with the Department of Health. SANDAS has already started discussions with Breaking New Ground (BNG) regarding access options and costs for member organizations to support their service agreement requirements for quality improvement.

A part of unspent funds from 2010 – 2011 has been committed to buying support for member organizations through Breaking New Ground Pty Ltd (BNG). This includes access to the following two products but is dependent on finalizing a business case for the most cost effective delivery mechanism:

1. **Management Support Online Subscriber Service (MSO)** is an online integrated service for Australian and New Zealand not for profit organisations specialising in not for profit governance, management, operations and administration. The MSO carries self-paced animated training sessions, organisational development activities and good practice guides, downloadable tools for tailoring, information sheets and resources, a gateway to other specialist websites and resources and a confidential advice service.

2. **Standards and Performance Pathways (SPP)** is an integrated online system for the completion of self- assessments and compliance activities related to service and quality standards. It has been specifically designed for human services in Australia, and its content covers the main sets of quality standards for NGOs that provide health and community services. It provides an easy, electronic system for completing standards assessments, supported by resources to enable them to complete improvement/evidence based tasks, and, through cross referencing of standards, a way of completing multiple sets of standards through a single assessment process.

Carol Mason

Finance Officer

SANDAS Comorbidity Project 2010-2011 Cross Sector Support Services Project (CSSSP)

In 2008 SANDAS received funding from the Department of Health and Ageing (DoHA) to provide assistance to the AOD NGO sector to build capacity to respond more effectively to the mental health problems of our ADO clients.

The CSSSP activities in the reporting period were covered by a 12 month extension of funding from DoHA and specific project funding from AERF. SANDAS, in conjunction with the sector had to revise and submit to DoHA, its project plan and negotiate the level of funding to allow it to achieve its objectives. The new funding period ends on the 30th June 2012 and SANDAS continues to work with DoHA and ADCA to clarify possible future funding to support the sector. Consultation with DoHA and ADCA during the reporting period suggested that there is a strong possibility co morbidity will be included in some way with the next round of AOD NGO TGP.

One of the major highlights for the year was the hosting and co-coordination of the highly successful National Improved Services Initiative Conference – A Tale of Two Systems: Alcohol and Other Drug and Mental Health Co-Occurance. In conjunction with NCETA and the other State Peaks, the SANDAS team played host to all of the projects funded across Australia for the two days. The learning's from this conference were invaluable and there has been a strong push for it to occur annually.

Training and sustainability have been the major emphasis of capacity building over the last financial year. SANDAS hosted a variety of workshops and forums including:

- Cannabis Treatment Guidelines

- Youth Cannabis workshops
- Information Sharing Guidelines Workshop
- Mental Health Act sessions
- Practical Skills in the context of Anxiety
- Acceptance and Commitment Therapy training.
- Mental Health First Aid

Further to this, the original FrameWorks for Health Comorbidity training package (Tier 1) was delivered to the sector in a shorter format, as well as the remainder of the Tier package was rolled out – Tier 3 Train the Trainer Collaborative Therapy and Tier 4 Dual Diagnosis System Readiness.

During Drug Action Week we organised an AOD Acquired Brain Injury Forum presented by Rin Minniti from DASSA and Nick Rushworth – Executive Officer of Brain Injury Australia. The workshop was oversubscribed and received very positive feedback. .

The subscriptions to the SANDAS eLearning Module “The Impact of Alcohol and Other Drugs on Mental Health and Medications” has increased over the last year. There has been promotion of the module at several state and national conferences and as a result the number of subscriptions has grown considerably. This work has enabled SANDAS to be profiled as an innovative peak which is responsive to the needs of the sector, especially in the area of workforce development and training where staff release time is greatly restricted.

Regular activities under the SANDAS CSSSP have included:

- Regular meetings every six weeks with the ISI Project Officers with guest speakers including Geoff Harris – Executive Director of the Mental Health Coalition of South Australia; Donna Mayhew – Principle Advisor, Office of the Guardian for Children and Young People; other NGO representatives and more.
- Representation on a number of advisory groups and working parties such as the Early Intervention and Prevention Program, CAHMS Comorbidity Advisory group and the Comorbidity Action in the North.
- Attendance at several conferences, both State and National.

SANDAS, in conjunction with Professor Charlotte de Crespigny has begun developing training for Frontline Workers at the coalface in Sobering Up Units and Mobile Assistance Patrols and Day Centres. This essential training gap in the sector has been filled thanks to an AER Foundation grant. Training is scheduled for October 2011, followed by a formal evaluation and report with the view to furthering the opportunity for such training by other workers.

In conclusion, I would to congratulate all the ISI funded and non ISI funded organization for their hard work in delivering their project objectives and building the co morbidity capacity base in SA. The effort of these committed project workers and

their staff has been commented on nationally and the cohesiveness of the group is something the SA AOD NGO sector can be proud of.

At the time of writing this report Andrew Biven has resigned from SANDAS. The sector and the Improved Services Initiative (ISI) organizations have thanked Andrew for his great contribution from the commencement of the CSSSP.

Rosie Way

Acting Coordinator CSSSP

EXECUTIVE OFFICER'S REPORT 2010 -2011

I would like to start by saying that in my view, the spirit and resilience of the SANDAS team, the Board, the Executive Committee and the membership are fantastic. Despite the work grind for all of us and the feeling sometimes that we are being ground down, we keep bouncing back. I think it is because believe and see in proactive that we are a vital part of the whole AOD system in South Australia. We are thinly spread in parts but we stay professional in our approach and we give our best in engagement, service provision and care.

I find SANDAS is a happy place to work. We laugh and groan and laugh and our coffee remains at a high caliber. Also, we are a place where new talent can learn, re learn and flourish. The development and growth of Carol and Rosie has been rewarding to watch. We have also negotiated with Flinders University for two Social Work students on placement on the basis that their field education unit has assessed SANDAS to be a placement where students can learn about policy, advocacy and the vagaries of systems, as well and a vital component of the broader health system.

Nothing is as constant as change. For the AOD sector it has been a year of emerging fronts. We have seen national level reform in health services and the health industry with reviews of reviews, announcements of imminent announcements, endless staffing changes in funding bodies, the restructuring of labour awards and the list goes on.

The year saw the start of more serious discussion on primary health care but no clear definition of where AOD or mental health NGOs fit or sit. For those who have not caught up with some of the jargon or health system modeling, your Medicare Local will not be selling grog.

We have also seen on the horizon, the National Compact and the work of the Productivity Commission on delivering greater value to the government and community from the NFP sector and the first outline of an NFP regulator's office.

The year has also seen an increase in government activity to tackle the tobacco and alcohol industries. The new National Drug Strategy 2011 – 2015 cites the immense health and social cost driven by both industries. As a peak organization we have to participate in the effort to deliver on the policy objectives of harm minimization.

Of particular concern is the significant harm arising from the extremely low floor price of some alcohol products. Such pricing supports high volume binge drinking in vulnerable population groups, especially those with high social disadvantage. Minister for Health and DASSA have expressed their strong concerns about this issue.

It is not unreasonable to say our sector keeps feeling the pinch in terms of the pressure of added compliance and red tape. Our members have multiple reporting points, formats, statistical collations, review inputs and arduous competitive tender processes. There are both federal and state attempts to ease this pressure and SANDAS has been representing the sectors interests at both levels.

The year also signaled the start of 4 areas of operation and resource investment for all organizations, be they small, medium or large. In summary these are:

- Workforce development and in particular new award structures and the equity case before Fair Work Australia and conditions as well as a government push for credentialing of AOD workers to a minimum standard. Our working relationship with TAFE SA, the Stronger Together Forum and SACOSS will help our sector.
- Quality Improvement and a more clearly stated expectation in Master Agreements and Service Agreements the government procurement processes will expect an appropriate framework and standards to be in place. Our work with DFC and Breaking New Ground (BNG) will position us to deal with this challenge.
- Capacities to deal with multiple morbidities in support of the governments "No Wrong Door," policy. Our representation of the sector in the Comorbidity Action in the North (CAN) project will support our capacity building.
- Compliance with the State Government Information Sharing Guidelines (ISG). SANDAS sits on the State Steering Committee of ISG.

SANDAS has been active in all 4 areas in many ways representing the sector and establishing platforms for sector development and support in these areas.

We have also seen continued development of the Health and Community Services Complaints Commission's work and the release of the HCSCC Consumer Rights Charter. This strengthens the consumer voice in AOD and also raises the standards of complaint management for service providers. SANDAS has established a good working relationship with the Commissioner's Office and will help advance our sector's ability to give appropriate protection to consumers of AOD services.

30th June 2011 marks the end of a 3 year funding period for SANDAS and sees us into a 12 month extension expiring on 30th June 2012. The SANDAS Board has commenced a process to secure renewed funding. The attached Audit report states we are a grant dependent organization and it will be a challenge beyond that date to secure the future of SANDAS and to operate at current levels.

To help us achieve that end we have looked at our "report card" and in the reporting period started our new strategic planning process which will carry over into this year and will be further informed by the member and stakeholder survey work as well as the start of a platform build for sector and social policy work to guide actions and work plans.

SANDAS acknowledges it has some deficiencies and has been putting in an effort to address these and make positive changes in the following areas in order to help us overcome the challenges we face. These include but are not limited to:

- Strategic planning
- People skills
- Work environment, learning environment
- Project selection, management and delivery
- Selling the messages we need to sell
- Networking with key stakeholders, including better communications with all funding bodies
- Team work
- Office management
- Quality improvement
- Financial operations, systems and administration

I would like to take this opportunity to thank all those who have contributed to the work of SANDAS both directly and indirectly. In particular, SA Health (DASSA), DoHA, AERF and FebFast as organizations that have provided funding directly to SANDAS and for products that benefit member's and their clients.

I also thank the Board members and the wonderful staff at SANDAS. They are a professional, committed and terrific people who also bring great bunch of people. I would also like to thank the tireless contribution of Professor Charlotte de Crespigny for her tireless support of the work of SANDAS, the sector and it customers.

At the time of writing we have said goodbye, again, to Andrew Biven from our ranks and we thank him for his long standing contribution. It is highly likely we will continue to feel his presence.

Andris Banders

Executive Officer

NB. While this version of SANDAS Annual Report 2010 – 2011 does not carry the signatures of the office holders contributing to the report, all content is confirmed as their contribution to the report.

The Financial Report for the year ended 30th June 2011 is a fully authorized and signed version.

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

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

BALANCE SHEET AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	195,430	302,876
Trade and other receivables	3	85,027	-
Other current assets	4	173	-
TOTAL CURRENT ASSETS		<u>280,630</u>	<u>302,876</u>
TOTAL ASSETS		<u>280,630</u>	<u>302,876</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	41,736	58,693
Borrowings	7	668	-
Short-term provisions	8	22,633	19,302
TOTAL CURRENT LIABILITIES		<u>65,037</u>	<u>77,995</u>
TOTAL LIABILITIES		<u>65,037</u>	<u>77,995</u>
NET ASSETS		<u>215,593</u>	<u>224,881</u>
MEMBERS' FUNDS			
Retained profits		<u>215,593</u>	<u>224,881</u>
TOTAL MEMBERS' FUNDS		<u>215,593</u>	<u>224,881</u>

The accompanying notes form part of these financial statements.

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue		312,341	524,910
Depreciation and amortisation expenses		(8,495)	-
Other expenses		<u>(313,133)</u>	<u>(373,362)</u>
Profit (loss) before income tax expense		(9,288)	151,548
Income tax expense		<u>-</u>	<u>-</u>
Profit (loss) from operations		<u><u>(9,288)</u></u>	<u><u>151,548</u></u>

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 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

(a) Income Tax

South Australian Network of Drug and Alcohol Services Inc is exempt from income tax.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charges against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) 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 balance sheet are shown inclusive of GST.

(d) Economic Dependency

The association is dependent upon the ongoing receipt of grants from state and federal governments to ensure the continuance and going concern of the association.

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
2. CASH AND CASH EQUIVALENTS			
Petty cash imprest		161	-
Cheque Account		1,889	24,881
Cash Reserve		193,381	277,995
		<u>195,430</u>	<u>302,876</u>
3. TRADE AND OTHER RECEIVABLES			
CURRENT			
Other receivables		83,458	-
Trade receivables		1,570	-
		<u>85,027</u>	<u>-</u>
4. OTHER ASSETS			
CURRENT			
Prepayments		173	-
		<u>173</u>	<u>-</u>
5. PROPERTY, PLANT AND EQUIPMENT			
Office furniture and equipment		8,495	-
Less accumulated depreciation		(8,495)	-
Total property, plant and equipment		<u>-</u>	<u>-</u>
6. TRADE AND OTHER PAYABLES			
CURRENT			
Good and services tax		13,904	36,315
Trade creditors		7,790	13,863
Unexpended Project Funds		16,000	4,732
Withholding taxes payable		2,354	2,096
WorkCover Payable		1,687	1,687
		<u>41,736</u>	<u>58,693</u>
7. BORROWINGS			
CURRENT			
Westpac Mastercard		668	-
		<u>668</u>	<u>-</u>

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
8. PROVISIONS			
CURRENT			
Employee Benefits		<u>22,633</u>	<u>19,302</u>

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

STATEMENT BY 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 the opinion of the Board the financial report as set out on pages 2 to 8:

1. Presents a true and fair view of the financial position of as at 30 June 2011 and its performance for the year ended on that date.
2. At the date of this statement there are reasonable grounds to believe that will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Board by:

Executive Officer



ANDRIS BANDERS

Dated this 11 day of NOVEMBER 2011

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTH AUSTRALIAN
NETWORK OF DRUG AND ALCOHOL SERVICES INC**

We have audited the accompanying financial report, being a special purpose financial report, of (the association) which comprises the balance sheet as at 30 June 2011 and the income statement, statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies and 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 Incorporations Act 1985 South Australia and are appropriate to meet the needs of the members. The committee's responsibility also includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free of 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 of 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 Incorporations Act 1985 South Australia. 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.

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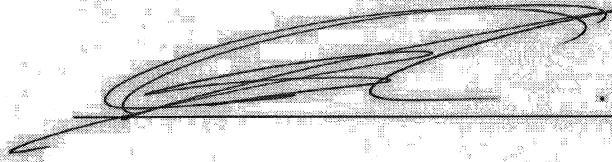
Independence

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

Auditor's Opinion

In our opinion, the financial report of presents fairly in all material respects the financial position of as of 30 June 2011 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

**Steven A Russo
Chartered Accountant
140 Greenhill Road
UNLEY, SA,**



11 November 2011