

**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><u>280,630</u></u>	<u><u>302,876</u></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><u>65,037</u></u>	<u><u>77,995</u></u>
NET ASSETS		<u><u>215,593</u></u>	<u><u>224,881</u></u>
MEMBERS' FUNDS			
Retained profits		<u>215,593</u>	<u>224,881</u>
TOTAL MEMBERS' FUNDS		<u><u>215,593</u></u>	<u><u>224,881</u></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 charged 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		<u>173</u>	<u>-</u>
5. PROPERTY, PLANT AND EQUIPMENT			
Office furniture and equipment		8,495	-
Less accumulated depreciation		<u>(8,495)</u>	<u>-</u>
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		<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 or 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.

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


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