

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2020

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SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30th JUNE 2020**

	2020	2019
	\$	\$
Income		
Members Contributions	8,751	2,860
Grant Income	493,784	404,148
Interest Received	6,421	5,452
Other Income	32,983	12,489
Total Revenue	541,939	424,949
Less		
Expenses		
Employment Benefits Expense	399,765	325,400
Depreciation Expense	1,481	1,481
Administration Expense	84,666	96,940
Total Expenditure	485,912	423,821
Net Surplus for the Year	56,027	1,128
Other Comprehensive Income	-	-
Total Comprehensive Income	56,027	1,128

The accompanying notes form part of the financial report.

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

**STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE 2020**

	Note	2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents		380,781	366,658
Trade and Other Receivables	2.	3,375	2,488
Prepayments	3.	2,736	2,811
Total Current Assets		386,892	371,957
Non-Current Assets			
Property Plant and Equipment	4.	2,565	4,046
Total Non-Current Assets		2,565	4,046
Total Assets		389,457	376,003
Current Liabilities			
Trade Creditors and Other Payables	5.	16,096	17,872
Employee Benefits	7.	30,502	24,844
Other Financial Liabilities	6.	1,226	1,706
Grants/Income in Advance		7,705	67,368
Total Current Liabilities		55,529	111,790
Non-Current Liabilities			
Other Financial Liabilities	6.	818	3,130
Employee Benefits	7.	16,000	-
Total Non-Current Liabilities		16,818	3,130
Total Liabilities		72,347	114,920
Net Assets		317,110	261,083
Members Funds			
Retained Surplus		317,110	261,083
Total Members Funds		317,110	261,083

The accompanying notes form part of the financial report.

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

**STATEMENT OF CHANGES IN EQUITY
AS AT 30th JUNE 2020**

	Retained Earnings	Total Equity
2019		
Balance as at 1 st July 2018	259,955	259,955
Total Comprehensive Income for the Period	1,128	1,128
Balance as at 30th June 2019	261,083	261,083
2020		
Balance as at 1 st July 2019	261,083	261,083
Total Comprehensive Income for the Period	56,027	56,027
Balance as at 30th June 2020	317,110	317,110

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

**STATEMENT OF CASH FLOWS
AS AT 30th JUNE 2020**

	2020	2019
	\$	\$
Cash Flow from Operating Activities		
Receipts from		
Government/Other Grants & Income	475,043	485,586
Interest	6,421	5,452
Payments to		
Suppliers and Employees	(467,341)	(406,989)
Net cash flow from operating activities	<u>14,123</u>	<u>84,049</u>
Total net increase/(decrease) in cash	14,123	84,049
Cash and cash equivalents at the beginning of the year	366,658	282,609
Cash and cash equivalents as at the end of the year	<u>380,781</u>	<u>366,658</u>
 Reconciliation of net surplus for the year to net cash flows from operating activities		
Net surplus for the year	56,027	1,128
Depreciation Expense	1,481	1,481
(Increase)/Decrease in Employee Benefits	21,658	5,462
(Increase)/Decrease in Receivables	(812)	(1,459)
Increase/(Decrease) in Financial Liabilities	(2,792)	(1,661)
Increase/(Decrease) in Trade Creditors	(1,776)	11,730
Increase/(Decrease) in Grants in Advance	(59,663)	67,368
Net cash flow from operating activities	<u>14,123</u>	<u>84,049</u>

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30th JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the South Australian Network of Drug and Alcohol Services Inc as an individual or entity. The South Australian Network of Drug and Alcohol Services Inc is a not-for-profit Association Incorporated in South Australia under the Associations Incorporated Act (SA) 1985 ('the Act'). The principal activities of the Association for the year ended 30th June 2020 were to lead and strengthen the community responses to the harms caused by alcohol and other drugs. The functional and presentation currency of South Australian Network of Drug and Alcohol Services Inc is Australian dollars.

(a) Basis of Preparation of the Financial Report

In the opinion of the board, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with recognition and measurement requirements of the Australian accounting standards and accounting interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

(b) Revenue and Other Income

Revenue is recognised when the amount of revenue can be measured reliably, it is probable the economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates. The provision of goods and services revenue is recognised upon the delivery of goods and services to the customers. Interest is recognised using the effective interest method.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and Payables are stated inclusive of GST. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Contributions - Government Grants and Donations

Grant revenue is recognised in the statement of profit or loss when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. When Grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of assets and liabilities as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt. If the South Australian Network of Drug and Alcohol Services Inc receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are/will be recognised at fair value on the date of acquisition in the statements of assets and liabilities, with a corresponding amount of income recognised in the statement of profit or loss.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE 2020**

Government grants are recognised at fair value when there is reasonable assurance that the grant will be received and all Grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grants to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(e) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) 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. Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model. The carrying amount 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 the recoverable amount.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(i) Comparatives

Comparative amounts may have been reclassified in order to comply with the presentation format. The reclassification of comparative amounts has not resulted in a change to the equity of the company as reported in the prior year's financial report.

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30th JUNE 2020

(j) Economic Dependence

The Association receives significant funding from Government Grants. The extent to which the Association will be able to continue in the provision of services at current levels is dependent on the continuation of the appropriate levels of Government Funding and the achievement of operating surpluses and positive cash flows. Should this funding not be received now or in the future then there will be significant uncertainty as to whether the Association will be able to continue as a going concern and, therefore whether it will be able to realise its assets and extinguish its liabilities in the normal course of its business and at the amounts stated in the financial report. These accounts must be read and understood in the context of this economic dependency.

(k) Comparatives

Comparative amounts may have been reclassified in order to comply with the presentation format. The reclassification of comparative amounts has not resulted in a change to the equity of the company as reported in the prior year's financial report.

(l) Income Tax

The Association is exempt from income tax under division 50 of the Income Tax Assessment Act 1997.

(m) Commitments

The Association currently holds a twelve month lease agreement for 204 Wright Street, Adelaide. Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term. Lease incentives under operating leases are recognised as a liability and amortized on a straight-line basis over the life of the lease term.

	2020 \$	2019 \$
NOTE 2 Receivables		
Trade Debtors	<u>3,375</u>	<u>2,488</u>
	3,375	2,488
NOTE 3 Prepayments		
Prepayments	<u>2,736</u>	<u>2,811</u>
	2,736	2,811

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE 2020**

	2020	2019
	\$	\$
NOTE 4 Property Plant & Equipment		
Plant & Equipment	32,198	32,198
Accumulated Depreciation	<u>(29,633)</u>	<u>(28,152)</u>
	<u>2,565</u>	<u>4,046</u>
NOTE 5 Trade Creditors & Other Payables		
Current		
Trade Payables	955	6,338
GST Payable	789	6,570
PAYGW Payable	3,016	4,964
Other Creditors	<u>11,336</u>	<u>-</u>
	<u>16,096</u>	<u>17,872</u>
NOTE 6 Other Financial Liabilities		
Current		
Equipment Lease	<u>1,226</u>	<u>1,706</u>
	<u>1,226</u>	<u>1,706</u>
Non-Current		
Equipment Lease	<u>818</u>	<u>3,130</u>
	<u>818</u>	<u>3,130</u>
NOTE 7 Employee Benefits		
Current		
Annual Leave	<u>30,502</u>	<u>24,844</u>
	<u>30,502</u>	<u>24,844</u>
Non-Current		
Long Service Leave	<u>16,000</u>	<u>-</u>
	<u>16,000</u>	<u>-</u>

NOTE 8 Contingent Liabilities

There were no contingent liabilities as at 30th June 2020 (2019: \$Nil).

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30th JUNE 2020**

NOTE 9 Statutory Information

The registered office of the Association is:
South Australian Network of Drug and Alcohol
Services Inc, 204 Wright St, Adelaide 5000.

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

STATEMENT BY THE 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 the Notes to the financial statements.

In the opinion of the Board the financial report:

- i Presents fairly the results of the operations of South Australian Network of Drug and Alcohol Services Inc as at 30th June 2020 and the state of its affairs for the year ended on that date and
- ii At the date of this statement, there are reasonable grounds to believe that South Australian Network of Drug and Alcohol Services Inc will be able to pay its debts as and when they fall due.

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



Helene Nielsen
Chairperson



Paul Brianni
Treasurer

Dated at Adelaide this 31st day of August 2020.

SOUTH AUSTRALIAN NETWORK OF DRUG AND ALCOHOL SERVICES INC

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDING 30TH JUNE 2020

Opinion

We have audited the 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 30th June 2020, the statement of comprehensive income for year then ended, a summary of significant accounting policies, and the statement by the board members.

In our opinion, the accompanying financial report of South Australian Network of Drug and Alcohol Services Inc. is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Board for the Financial Report

The board members are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Association's responsibility also includes such internal control as the board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.
- Conclude on the appropriateness of the Association's use of the going concern basis of accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Christopher Clarke
Partner
Clarke & Brownrigg
Chartered Accountants

Dated in Adelaide this 31st day of August 2020

