

Board of Management Statement

Statement in accordance with the motion passed on 27th September 2006

The Board is satisfied that the association's accounts present fairly the results of the operations of the association for the period 1 July 2005 to 30 June 2006, and the state of the association at 30 June 2006.

Further, the Board has reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

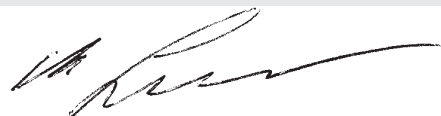
There are no bodies corporate that are subsidiaries of the association within the meaning of Section 46 of the Corporations Law, nor any trusts of which the association is a trustee.

The Board is satisfied that no officers of the association, or firm or corporate body in which any officer has substantial financial interest, gained a benefit as a result of a contract, or received directly or indirectly any payment or pecuniary benefit as a result of their position on the Board of the AIDS Council of South Australia Incorporated.

Signed for and on behalf of the Board of the AIDS Council of South Australia Incorporated by



Peter Coombes
President



Ted Setnikar
Treasurer

Dated this 27th Day of September 2006

Independent Audit Report



To the members of the AIDS Council of South Australia Incorporated

Scope:

We have audited the accompanying Special Purpose Financial Reports, "the accounts", of the AIDS COUNCIL OF SOUTH AUSTRALIA INCORPORATED for the year ended 30th June 2006, comprising the Balance Sheet, Statement of Income and Expenditure and Notes thereto. The Council's Management is responsible for the preparation and presentation of the accounts and for the information contained therein. We have conducted an independent audit of the accounts in order to express an opinion on them to the members of the Council.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatements. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the accounts, and the evaluation of accounting policies and significant accounting estimates.

As detailed in Note 1 to the accounts, the Association is not a reporting entity because no users exist who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs, and these accounts are therefore "Special Purpose Financial Reports" that have been prepared to meet the requirements of the Associations Incorporations Act, the Board of Management and the Members.

In common with organisations of this type, it was not practical to establish adequate records or control over cash receipts prior to their receipt and entry in the accounting records. Accordingly, our audit of cash receipts was limited to the amount recorded in the initial books of entry.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion:

In our opinion, subject to the above limitation in scope the Special Purpose Financial Statements of the AIDS COUNCIL OF SOUTH AUSTRALIA INCORPORATED are properly drawn up:

- so as to give a true and fair view of the Council's state of affairs as at 30th June 2006 and of the Council's results for the year ended on that date.
- in accordance with Statements of Accounting Concepts and Applicable Accounting Standards of the Associations Incorporation Act 1995 as amended,
- there is no body corporate that is a subsidiary of the Council within the meaning of Section 46 of the Corporations Law.
- the Association does not act as trustee of any trust.

A handwritten signature in black ink, appearing to be 'Peter Hall', written over a horizontal line.

Peter Hall
Registered Company Auditor, Adelaide
27 September 2006

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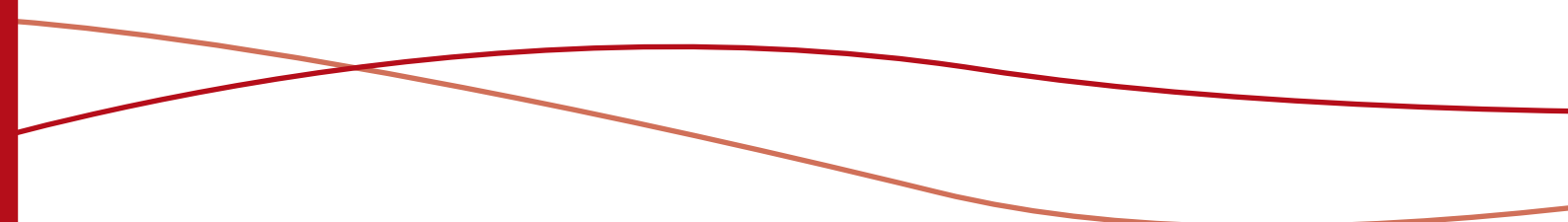
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Statement of Income & Expenditure for the Year Ended 30th June 2006

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	2005/2006	2004/2005
Income		
Core Grant	1,649,451	1,631,999
Other Grant/s	87,033	134,567
Funds Cfwd	38,524	0
Funds Raised	89,671	53,005
Interest Received	24,295	27,941
Memberships	737	1,114
Miscellaneous Income	14,308	37,750
Trading Income	9,431	9,625
	1,913,450	1,896,001
Expenditure		
Cost of Trading Goods Sold	1,885	2,785
Depreciation	48,634	57,408
Meeting Costs	26,898	28,496
Motor Vehicles	13,570	32,086
Operations & Infrastructure	376,951	318,648
Professional Fees	45,181	26,392
Promotional Costs	57,950	69,127
Staff Costs	1,282,731	1,308,637
Sundries	4,850	1,661
Training & Development	35,228	28,870
Travel	23,023	24,079
	1,916,901	1,898,189
Operating deficit transferred to Members Funds	-3,451	-2,188

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Balance Sheet as at 30th June 2006

	2005/2006	2004/2005	notes
Current Assets			
Cash on Hand	360	360	
Cash at Bank	18,887	3,241	
Cash Invested	430,000	400,000	
Prepayments	16,038	23,136	
Receivables	15,836	11,336	
Inventory	26,674	16,729	2
	507,795	454,802	
NonCurrent Assets			
Office Furniture & Equipment	43,112	46,401	3
Lease Hold Improvements	20,940	17,043	4
Motor Vehicles	12,849	16,540	5
	76,901	79,984	
Total Assets	584,696	534,786	
Current Liabilities			
Creditors & Accruals	33,475	18,105	
Funds received in Advance	239,647	178,145	
Employee Entitlements	46,224	49,382	6
Grant funds Carried over	58,741	67,370	
Non-Grant funds Carried over	66,352	77,684	
	444,439	390,686	
Non Current Liabilities			
Employee Entitlements	37,438	47,911	7
Provision for Future Expense	95,880	85,799	
	133,318	133,710	
Total Liabilities	577,757	524,396	
Net Assets	6,939	10,390	
Members Funds			
Opening Balance	10,390	12,578	
Operating deficit for the Year	-3,451	-2,188	
Closing Members Funds	6,939	10,390	

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Notes to and forming part of the accounts for the year ended 30th June 2006

1. Statement of Accounting Policies

The Council is not a reporting entity because there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all their information needs, and these Accounts are therefore 'Special Purpose Financial Reports' that have been prepared solely to meet the Associations Incorporation Act 1985 requirements and for distribution to Council members.

The Council has complied with the definition of a reporting entity as set out in Statement of Accounting Concepts SAC 1 and no other Concept or Accounting Standard has mandatory applicability.

The Accounts have been prepared on the accrual basis of accounting using the historical cost convention. They do not take into account changing money values or, except where stated, current valuation of non current assets. Except where noted the Accounting Policies have been consistently applied.

The Financial Statements have been prepared in accordance with all applicable Australian Accounting Standards and Concepts.

Set out below is a summary of the significant Accounting Policies adopted by the Council in the preparation of the Accounts.

- a. Government and Other Grants
Government and Other Grants are brought to account in the period to which they relate.
- b. Depreciation of Office Furniture and Equipment and Buildings
Buildings and Office Furniture and Equipment are depreciated over their estimated useful lives. Building and Office Furniture and Equipment are first depreciated in the year of acquisition. The prime cost method of depreciation is used for both categories of assets.
- c. Funding Carried Over to Subsequent Period
Funds carried over to a subsequent period have been done on the basis that such treatment will allow a more accurate matching process of Income with the related Expenses.

	<i>2005/2006</i>	<i>2004/2005</i>
2. Inventory	26,674	16,729
Inventory comprises stock on hand held for resale. Inventory is valued at the lower of cost and net realisable value, (or, if appropriate, at the lowest of cost, market selling value or replacement cost).		
3. Office Furniture & Equipment		
Furniture & Equipment - Cost	268,253	246,081
Less Accumulated Depreciation	225,141	199,680
Net Book Value	43,112	46,401
4. Lease Hold Improvements		
Represents improvements to main Office Building, amortised over the life of the current lease		
5. Motor Vehicles		
Motor Vehicles at Cost	45,903	45,903
Less Accumulated Depreciation	33,054	29,363
Net Book Value	12,849	16,540
6. Employee Entitlements		
Annual Leave	46,224	49,382
Total	46,224	49,382
7. Employee Entitlements (Non-Current)		
Long Service Leave	29,392	40,365
Provision Redundancy	8,046	7,546
Total	37,438	47,911

Statement of Cash Flows for the Financial Year Ended 30th June 2006

	Notes	2005/2006 \$	2004/2005 \$
Cash Flows from Operating Activities			
Receipts from Grants - Core & Otherwise		1,649,451	1,631,999
Receipts from Other Sources		263,999	264,002
Payments to Suppliers & Employees		(1,868,912)	(1,852,232)
Interest Received		24,295	27,941
Interest & Other Costs of Finance Paid		(1,015)	(973)
Net Cash Provided by Operating Activity	3	67,818	45,590
Cash Flows from Investing Activities			
Payments for Office Furniture & Equipment	2	(22,172)	(30,734)
Net Increase (Decrease) in Cash Held		45,646	14,856
Cash at the Beginning of the Financial Year		403,601	388,745
Cash at the End of the Financial Year	1	449,247	403,601

Notes to the Statement of Cash Flows

1. Reconciliation of Cash

For the purposes of the statement of Cash Flows, Cash includes Cash on Hand and in Banks and Investments in Money Market Instruments. Cash at the end of the Financial Year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Cash on Hand	360	360
Cash at Bank	18,887	3,241
Investment Accounts	430,000	400,000
	449,247	403,601

2. Investing Activities

During the financial year the Council purchased Office Furniture and Equipment at a cost of

	22,172	30,734
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3. Reconciliation of Net Cash provided by Operating Activities to Operating Profit

Operating Profit per Income & Expenditure Statement	(3,451)	(2,082)
Add Back – Depreciation	48,643	57,408
- Provision for Employee Benefits	(13,631)	(7,981)
	38,463	47,345
Changes to Assets & Liabilities	29,355	(1,755)
Net Cash Provided by Operating Activities	67,818	45,590

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