

AIDS COUNCIL OF SOUTH AUSTRALIA INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

Statement by the Board of Management

Income & Expenditure Statement

Balance Sheet

Notes to and forming part of the accounts

Independent Auditor's Report

AIDS COUNCIL OF SOUTH AUSTRALIA INC.

STATEMENT BY BOARD OF MANAGEMENT

The Board is satisfied that the association's accounts present fairly the results of the operations of the association for the period 1 July 2007 to 30 June 2008, and the state of the association at 30 June 2008. 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 and 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

Keith Bevan

Darriene Bromley

President

Treasurer

Dated 15th Day of October 2008

AIDS Council of South Australia Inc.

Statement of Income & Expenditure
for the Year Ended 30th June 2008

| | 2008 | 2007 |
|---|------------------|------------------|
| | \$ | \$ |
| Income | | |
| Core Grant | 1,769,106 | 1,819,278 |
| Other Grant/s | 72,587 | 79,996 |
| Funds Raised | 71,938 | 67,638 |
| Interest Received | 13,382 | 25,854 |
| Memberships | 661 | 896 |
| Miscellaneous Income | 5,362 | 18,837 |
| Trading Income | 15,366 | 17,120 |
| | <u>1,948,402</u> | <u>2,029,619</u> |
| Expenditure | | |
| Depreciation | 26,346 | 53,019 |
| Meeting Costs | 4,468 | 25,437 |
| Motor Vehicles | 13,595 | 15,224 |
| Operations & Infrastructure | 352,939 | 364,188 |
| Professional Fees | 40,192 | 77,806 |
| Promotional Costs including fundraising | 75,880 | 51,241 |
| Staff Costs | 1,374,214 | 1,362,723 |
| Training & Development | 13,789 | 22,005 |
| Travel | 25,315 | 35,963 |
| | <u>1,926,738</u> | <u>2,007,606</u> |
| Operating Surplus for the year | <u>21,664</u> | <u>22,013</u> |

AIDS Council of South Australia Inc.

Statement of Income & Expenditure
for the Year Ended 30th June 2008

| | 2008 \$ | 2007 \$ | notes |
|--|----------------|----------------|-------|
| Current Assets | | | |
| Cash on Hand | 1,000 | 500 | |
| Cash at Bank | 349,615 | 91,442 | |
| Cash Invested | 205,967 | 325,000 | |
| Prepayments | 2,130 | 7,784 | |
| Receivables | 38,484 | 2,485 | |
| Inventory | 32,022 | 24,604 | |
| | <u>629,218</u> | <u>451,815</u> | |
| NonCurrent Assets | | | |
| Office Furniture & Equipment | 41,671 | 51,848 | 2 |
| Motor Vehicles | 16,857 | 9,958 | 3 |
| | <u>58,528</u> | <u>61,806</u> | |
| Total Assets | <u>687,746</u> | <u>513,621</u> | |
| Current Liabilities | | | |
| Creditors & Accruals | 185,060 | 100,918 | |
| Grants & Other Funds Received in Advance | 233,686 | 241,832 | |
| Employee Entitlements | 69,727 | 31,938 | 4 |
| | <u>488,473</u> | <u>374,688</u> | |
| Non Current Liabilities | | | |
| Employee Entitlements | 72,748 | 30,072 | 5 |
| Provision for Future Expense | 75,909 | 79,909 | |
| | <u>148,657</u> | <u>109,981</u> | |
| Total Liabilities | <u>637,130</u> | <u>484,669</u> | |
| Net Assets | <u>50,616</u> | <u>28,952</u> | |
| Members Funds | | | |
| Opening Balance | 28,952 | 6,939 | |
| Operating Surplus for the Year | 21,664 | 22,013 | |
| Closing Members Funds | <u>50,616</u> | <u>28,952</u> | |

AIDS COUNCIL OF SOUTH AUSTRALIA INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

1. Statement of Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act (SA) 1985. The Board of the Council has determined that the organisation is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporations Act (SA) 1985 and the following Australian Accounting Standards:

| | |
|-------|---|
| AAS 1 | Profit and Loss or Other Operating Statements |
| AAS 5 | Materiality |
| AAS 8 | Events Occurring After Reporting Date |

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accrual basis and at historic costs and does not take into account changing money values.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

Income Tax

The organization being a public benevolent institution is not assessable for Federal Income Tax.

GST

All income and expenditure are stated net of the amount of goods and services tax (GST).

Employee Entitlements

Provision is made for the organisation's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year, together with entitlements arising from wages and salaries, annual leave and time off in lieu which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future year cash outflows to be made for those entitlements.

Contributions are made by the organisation to superannuation funds and are charged as expenses when incurred.

Related Party Transactions

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

Inventories

The inventory comprises stocks on hand for resale. Inventory is valued at the lower of cost and net realisable value.

Government and Other Grants

Government and Other Grants are brought to account in the period to which they relate.

Comparatives

Where necessary comparative figures have been adjusted to conform with the presentation of current year figures.

Depreciation of Office Furniture, Equipment and Motor Vehicles

Office Furniture, Equipment and Motor Vehicles are depreciated over their estimated useful lives and are first depreciated in the year of purchase.

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.

Going Concern

The financial report is prepared on a going concern basis, which is dependent on adequate and continued funding from the south Australian Government.

| | 2008 | 2007 |
|---|----------------|----------------|
| | \$ | \$ |
| 2. Office Furniture & Equipment | | |
| Furniture & Equipment at Cost | 188,554 | 168,385 |
| Less Accumulated Depreciation | <u>142,883</u> | <u>116,537</u> |
| | <u>45,671</u> | <u>51,848</u> |
| 3 . Motor Vehicles | | |
| Motor Vehicle at Cost | 20,053 | 45,903 |
| Less Accumulated Depreciation | <u>3,196</u> | <u>35,945</u> |
| Net Value | <u>16,857</u> | <u>9,958</u> |
| 4. Employee Entitlements (Current) | | |
| Annual Leave | 46,084 | 28,480 |
| Toil | 11,983 | 3,458 |
| Sick Leave | <u>11,660</u> | <u>0</u> |
| | <u>69,727</u> | <u>31,938</u> |
| 5. Employee Entitlements (Non-Current) | | |
| Long Service Leave | 62,748 | 30,072 |
| Provision Redundancy | <u>10,000</u> | <u>0</u> |
| Total | <u>72,748</u> | <u>30,072</u> |

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Liability limited by a scheme approved under Professional Standards Legislation

THE AIDS COUNCIL OF SOUTH AUSTRALIA INC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Scope

We have audited the financial report, being a special purpose financial report, of the Aids Council of South Australia Inc for the year ended 30 June 2008 comprising the Statement of Income & Expenditure for the year ended 30th June 2008, the Balance Sheet as at 30 June 2008 and the Notes to and forming part of the Financial Statements. The Board is responsible for the preparation and true and fair presentation of the financial report and has determined that the accounting policies used and 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 SA 1985 and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The special purpose financial report has been prepared for distribution to members for the purpose of fulfilling the boards financial reporting requirements under the Associations Incorporations 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 for which it was prepared.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. An audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report is presented fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the Associations financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate for the needs of the members.

We formed our audit opinion on the basis of our procedures, which included examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board. While we consider the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Certainty Regarding Going Concern

Without qualification to the opinion expressed below, attention is drawn to the following matter:

As discussed in Note 1, the Association is dependant on operating grants from Governments. The financial statements have been prepared on an ongoing concerns basis on the expectation that such funding will continue.

Independence

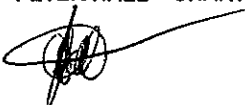
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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

Audit Opinion

In our opinion, the financial report of the Aids Council of South Australia Inc presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of the organisation as at 30 June 2008 and the results of its operations for the year then ended.

PETER HALL – CHARTERED ACCOUNTANTS



PETER HALL
Registered Company Auditor
Dated 15th October 2008