



NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC
ABN 52 793 744 040

FINANCIAL REPORT - 30 JUNE 2023

CONTENTS

| | |
|---|----|
| Committee Members' Report | 1 |
| Auditor's Independence Declaration | 3 |
| Statement of Financial Position | 4 |
| Statement of Profit or Loss and Other Comprehensive Income | 5 |
| Statement of Changes in Funds | 6 |
| Statement of Cash Flows | 7 |
| Notes to the Financial Statements | 8 |
| Committee Members' Declaration | 18 |
| Committee Members' Declaration under the <i>Charitable Fundraising Act 1991</i> | 19 |
| Independent Auditor's Report | 20 |

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC
ABN 52 793 744 040

FINANCIAL REPORT - 30 JUNE 2023

COMMITTEE MEMBERS' REPORT

The Network of Alcohol and Other Drugs Agencies Inc ('the Association') is an Association incorporated in New South Wales under the NSW Associations Incorporation Act 2009 and is registered as a charity under the *Australian Charities and Not-for-profits Commission Act 2012*. The Committee Members of the Association present the financial report for the year ended 30 June 2023 and report as follows:

COMMITTEE MEMBERS

The names of the Committee Members in office during or since the end of the year are as follows. The Committee Members were in office for this entire period unless otherwise stated.

| NAME | POSITION | APPOINTED |
|---------------------|--|--|
| Leone Crayden | Chair, Elected Board Member | 15 November 2021 |
| Mark Buckingham | Deputy Chair, Elected Board Member | 15 November 2021 |
| Gerard Byrne | Chair - FRAC Committee, Elected Board Member | 15 November 2021 |
| Latha Nithyanandam | Elected Board Member | 19 November 2019 |
| Norm Henderson | Elected Board Member | 19 November 2019 |
| Andy Biddle | Elected Board Member | 14 November 2022 |
| Joe Coyte | Elected Board Member | 14 November 2022 |
| Nicolas Parkhill AM | Elected Board Member | 14 November 2022 |
| Lea-Anne Miller | Independent Board Member | 19 June 2023 |
| Julie Babineau | Elected Board Member, Former Chair | 19 November 2019 – 31 July 2023 |
| Libby George | Elected board member, Former Deputy Chair | 19 November 2019 – 14 November 2022 |
| Peter Valpiani | Former Chair - FRAC Committee, Independent Board Member | 6 June 2022 – 14 November 2022 |
| Ed Zarnow | Former Elected Board Member | 19 November 2019 – 14 November 2022 |

PRINCIPAL ACTIVITY

The principal activity of the Association was to assist members with advice, information, advocacy, services, training and development, research, and to act as a spoke-person in dealing with Government Organisations.

The Network of Alcohol and Other Drugs Agencies Inc is the peak organisation representing the interests of non-government alcohol and other drug intervention agencies in New South Wales.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were two significant changes to the state of affairs of the Association during the financial year.

1. NADA signed a one-off funding agreement with the NSW Ministry of Health for \$6,000,000 to deliver an infrastructure grants program to members, which has a significant impact on NADA's operating results for the 2022-23 and 2023-24 financial years. 98% of the funding amount will be delivered in grants to NSW NGO AOD services.
2. NADA recorded a profit of \$41,121 for the 2023 NADA Conference held in May 2023 above the projected amount. This was the result of a larger number of ticket sales than anticipated – almost 500 registrations. The profit has significantly impacted on the surplus for the 2022-23 financial year. The NADA board has recommended that the profit from the conference be used to support the 2025 NADA conference.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC
ABN 52 793 744 040

FINANCIAL REPORT - 30 JUNE 2023

COMMITTEE MEMBERS' REPORT

OPERATING RESULT

The net result of the Association for the financial year was a surplus of \$41,043 (2022: surplus \$32,467). The Association is a not-for-profit entity and is exempt from the payment of income tax.

AUDITOR'S INDEPENDENCE DECLARATION

The auditors' independence declaration for the year ended 30 June 2023 has been received and can be found on the following page.

Signed in accordance with a resolution of the Committee Members:



Leone Crayden
Chair

21 August 2023

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC
ABN 52 793 744 040

FINANCIAL REPORT - 30 JUNE 2023

AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF
NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC

In accordance with the requirements of the *NSW Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of the Network of Alcohol and Other Drugs Agencies Inc, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there has been:

- (a) no contraventions of the auditor independence requirements as set out in the *NSW Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



StewartBrown
Chartered Accountants



Stuart Hutcheon
Partner

21 August 2023

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**ABN 52 793 744 040****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2023**

| | Note | 2023 \$ | 2022 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 7,880,635 | 1,026,177 |
| Trade and other receivables | 7 | 47,672 | 141,070 |
| Financial assets | 8 | 3,682 | 2,881 |
| <i>Total current assets</i> | | <u>7,931,989</u> | <u>1,170,128</u> |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 52,790 | 47,165 |
| Right-of-use assets | 10 | 638,405 | 142,074 |
| <i>Total non-current assets</i> | | <u>691,195</u> | <u>189,239</u> |
| TOTAL ASSETS | | <u>8,623,184</u> | <u>1,359,367</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | 7,004,083 | 332,927 |
| Employee benefits | 12 | 147,486 | 125,532 |
| Lease liabilities | 13 | 114,734 | 133,018 |
| <i>Total current liabilities</i> | | <u>7,266,303</u> | <u>591,477</u> |
| Non-current liabilities | | | |
| Employee benefits | 12 | 49,361 | 29,281 |
| Lease liabilities | 13 | 537,894 | 10,026 |
| <i>Total non-current liabilities</i> | | <u>587,255</u> | <u>39,307</u> |
| TOTAL LIABILITIES | | <u>7,853,558</u> | <u>630,784</u> |
| NET ASSETS | | <u>769,626</u> | <u>728,583</u> |
| FUNDS | | | |
| Accumulated funds | | <u>769,626</u> | <u>728,583</u> |
| TOTAL FUNDS | | <u>769,626</u> | <u>728,583</u> |

The accompanying notes form part of these financial statements

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

| | Note | 2023 \$ | 2022 \$ |
|--|------|----------------------|----------------------|
| Revenue | 4 | 2,714,580 | 2,432,218 |
| Other income | 4 | 1,926 | - |
| | | <u>2,716,506</u> | <u>2,432,218</u> |
| Expenses | | | |
| Administration expenses | | (781,884) | (937,217) |
| Conference expenses | | (184,962) | - |
| Depreciation expenses | 5 | (163,685) | (148,103) |
| Employee benefits expense | | (1,417,687) | (1,229,306) |
| Grants to other organisations | | (48,409) | (42,736) |
| Fair value loss on financial assets | 5 | - | (529) |
| Loss on disposal of property, plant, and equipment | 5 | (3,001) | - |
| Other expenses | | (75,835) | (41,860) |
| | | <u>(2,675,463)</u> | <u>(2,399,751)</u> |
| Surplus before income tax | | 41,043 | 32,467 |
| Income tax expense | | - | - |
| Surplus for the year | | 41,043 | 32,467 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u><u>41,043</u></u> | <u><u>32,467</u></u> |

The accompanying notes form part of these financial statements

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**STATEMENT OF CHANGES IN FUNDS**
FOR THE YEAR ENDED 30 JUNE 2023

| | Accumulated Funds | Total |
|--|------------------------------|-----------------------|
| | \$ | \$ |
| Balance at 1 July 2021 | 696,116 | 696,116 |
| Comprehensive income | | |
| Surplus for the year | 32,467 | 32,467 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>32,467</u> | <u>32,467</u> |
| Balance at 30 June 2022 | <u>728,583</u> | <u>728,583</u> |
| Balance at 1 July 2022 | 728,583 | 728,583 |
| Comprehensive income | | |
| Surplus for the year | 41,043 | 41,043 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>41,043</u> | <u>41,043</u> |
| Balance at 30 June 2023 | <u>769,626</u> | <u>769,626</u> |

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

| | Note | 2023 \$ | 2022 \$ |
|--|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers and government | | 1,466,855 | 386,607 |
| Government grants received | | 8,412,490 | 2,194,613 |
| Payments to suppliers and employees | | (2,853,882) | (2,470,496) |
| Investment income received | | 11,339 | 2,379 |
| Interest paid - leases | | <u>(24,411)</u> | <u>(7,525)</u> |
| <i>Net cash flows from operating activities</i> | | <u>7,012,391</u> | <u>105,578</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | <u>(28,552)</u> | <u>(19,936)</u> |
| <i>Net cash flows from investing activities</i> | | <u>(28,552)</u> | <u>(19,936)</u> |
| Cash flows from financing activities | | | |
| Repayment of lease liabilities | | <u>(129,381)</u> | <u>(150,249)</u> |
| <i>Net cash flows from financing activities</i> | | <u>(129,381)</u> | <u>(150,249)</u> |
| Net increase (decrease) in cash and cash equivalents | | 6,854,458 | (64,607) |
| Cash and cash equivalents at the beginning of the financial year | | <u>1,026,177</u> | <u>1,090,784</u> |
| Cash and cash equivalents at the end of the financial year | 6 | <u><u>7,880,635</u></u> | <u><u>1,026,177</u></u> |

The accompanying notes form part of these financial statements

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 1 - Corporate information**

The financial report includes the financial statements and notes of the Network of Alcohol and Other Drugs Agencies Inc ('the Association'). The Network of Alcohol and Other Drugs Agencies Inc is incorporated in New South Wales under the *NSW Associations Incorporation Act 2009* and is registered as a charity under the *Australian Charities and Not-for-profits Commission Act 2012*. The Association is domiciled in Australia.

The Network of Alcohol and Other Drugs Agencies Inc is the peak organisation representing the interests of non-government alcohol and other drug intervention agencies in New South Wales. The Association provide a range of programs and services that focus on sector and workforce development, data management, governance and management support, research and evaluation, sector representation and advocacy.

The registered office and principal place of business of the Association is:

Suite B, Level 3
140 William Street
Woolloomooloo NSW 2011

The financial statements were approved by the Committee Members on 21 August 2023.

Note 2 - Basis of preparation***Statement of compliance***

These general purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The Association is a not-for-profit entity for the purposes of preparing these financial statements.

Basis of measurement

The financial statements have been prepared under historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

New and revised standards that are effective for these financial statements

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2023 reporting period. These include:

- *AASB 2022-3 Amendments to AASs – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use* (effective for the year ending 30 June 2023)
- *AASB 2020-3 Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract* (effective for the year ended 30 June 2023)

The application of the amendments to AASB 15, AASB 116 and AASB 137 have not had a material impact on the carrying values of the Association's asset, liability or equity balances; nor a material impact on the disclosures in the financial report nor the recognition and measurement of the Association's revenue or expenses.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 2 - Basis of preparation (continued)*****New standards and interpretations not yet adopted***

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Association. These include:

- *AASB 2020-1: Amendments to AASs – Classification of Liabilities as Current or Non-current* (effective for the year ending 30 June 2024)
- *AASB 2021-2- and AASB 2021-6: Amendments to AASs – Disclosure of Accounting Policies* (effective for the year ending 30 June 2024)
- *AASB 2021-2: Amendments to AASB 108 – Definition of Accounting Estimates* (effective for the year ending 30 June 2024)

It is not expected that AASB 2020-1, AASB 2021-2 or AASB 2021-6 will have a material impact on the Association in future reporting periods.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Income tax

The Association is a not-for-profit Charity and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

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 Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Grants

Grants received are recognised as revenue when the Association obtains control over the asset comprising the contributions. When the Association does not have control of the contribution or does not have the right to receive the contribution or has not fulfilled grant conditions, the grant contribution is treated as deferred income. Deferred income is matched against expenditure in the year the expenditure is incurred and in accordance with funding body requirements when services are performed, or conditions fulfilled.

Membership fees

Revenue from membership fees is recognised on a basis that reflects the timing, nature and value of the benefits provided.

Conference income

Conference income is recognised in the period that the conference occurs.

Interest and dividends

Revenue from interest and dividends is recognised on an accrual's basis.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 - Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables.

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Subsequent costs

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 statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over the asset's useful life to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| | |
|------------------------|---------------|
| Furniture and fittings | 10% |
| Office equipment | 33.3% – 37.5% |
| Motor vehicles | 18.75% |

Right-of-use assets

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial position within a classification relevant to the underlying asset.

Right-of-use assets are initially measured at cost, comprising of the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****Right-of-use assets (continued)***

Subsequently, right-of-use assets are measured using a cost model. The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the statement of profit or loss and other comprehensive income in "Depreciation and amortisation".

The Association tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right of use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset.

The resulting decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Leases

The Association leases business premises and motor vehicles on an arm's length basis from a third-party lessor. A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease, or not exercising of options to terminate the lease, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the Association's control, and it affects the reasonable certainty assumptions. The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

The Association does not recognise leases that have a lease term of 12 months or less or are of low value as a right-of-use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Lease liability

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Association's incremental borrowing rate.

The tenor of a lease includes any renewal period where the lessee is reasonably certain that they will exercise the option to renew. The Association has reviewed all its leases and included any extensions where the Association assessed it is reasonably certain the lease agreement will be renewed.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****Lease liability (continued)***

The lease payment used in the calculation of the lease liabilities should include variable payments when they relate to an index or rate. Where leases contain variable lease, payments based on an index or rate at a future point in time, the Association has used the incremental uplift contained in the lease or the respective Reserve Bank forward-looking CPI target for CPI-related increases.

In the absence of any floor or cap clauses in the lease agreements, the Association measures the rent for the year under market review at an amount equal to the rent of the year preceding the market review increased by a fixed rate.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the relevant Association's incremental borrowing rate. The incremental borrowing rate used for this calculation is dictated by the tenor of the lease and the location of the asset. The incremental borrowing rate is the rate the Association would be charged on borrowings, provided by our banking partners. The weighted average incremental borrowing rate is 8.85%. The following lease payments being fixed payments, less any lease incentives receivable are included where they are not paid at the commencement date.

Subsequently, the lease liability is measured by:

- Increasing the carrying amount to reflect interest on the lease liability
- Reducing the carrying amount to reflect the lease payments made
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments

The unwind of the financial charge on the lease liabilities is recognised in the statement of profit or loss and other comprehensive income in "Finance costs" based on the Association's incremental borrowing rate.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Income received in advance

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023**Note 3 - Significant accounting policies (continued)*****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 settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

| | 2023 | 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| <u>Note 4 - Revenue and other income</u> | | |
| Operating revenue | | |
| Government grants - <i>State</i> | 1,708,009 | 1,799,161 |
| Government grants - <i>Federal</i> | 496,094 | 496,947 |
| Other grants | 263,088 | 69,762 |
| Conference income | 186,083 | - |
| Membership income | 49,496 | 52,529 |
| | <u>2,702,770</u> | <u>2,418,399</u> |
| Other revenue | | |
| Interest income | 11,339 | 2,379 |
| Other income | 471 | 11,440 |
| | <u>11,810</u> | <u>13,819</u> |
| <i>Total revenue</i> | <u>2,714,580</u> | <u>2,432,218</u> |
| Other income | | |
| Fair value gain on financial assets | 801 | - |
| Gain on disposal of right-of-use asset | 1,125 | - |
| <i>Total other income</i> | <u>1,926</u> | <u>-</u> |
| <i>Total revenue and other income</i> | <u>2,716,506</u> | <u>2,432,218</u> |
| <u>Note 5 - Expenses</u> | | |
| Depreciation expenses | | |
| Property, plant and equipment | 19,926 | 34,877 |
| Right-of-use assets | 143,759 | 113,226 |
| <i>Total depreciation expenses</i> | <u>163,685</u> | <u>148,103</u> |
| Net loss on disposal of property, plant and equipment | 3,001 | - |
| Fair value loss on financial assets | - | 529 |
| Finance costs - lease liabilities | 24,411 | 7,525 |
| <u>Note 6 - Cash and cash equivalents</u> | | |
| Cash at bank and on hand | 7,218,130 | 403,689 |
| Term deposits | 662,505 | 622,488 |
| <i>Total cash and cash equivalents</i> | <u>7,880,635</u> | <u>1,026,177</u> |
| <u>Note 7 - Trade and other receivables</u> | | |
| Current | | |
| Other receivables | 5,009 | 79,049 |
| Prepayments | 42,663 | 62,021 |
| <i>Total current trade and other receivables</i> | <u>47,672</u> | <u>141,070</u> |

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

| | 2023 | 2022 | |
|--|-----------------------------------|-----------------------------|---------------|
| | \$ | \$ | |
| Note 8 - Financial assets | | | |
| <u>Current</u> | | | |
| Financial assets at fair value through profit and loss | | | |
| Shares in listed entities | 3,682 | 2,881 | |
| <i>Total current financial assets</i> | <u>3,682</u> | <u>2,881</u> | |
| Movements in carrying amount | | | |
| Opening net carrying amount | 2,881 | 3,410 | |
| Fair value gain (loss) | 801 | (529) | |
| Closing net carrying amount | <u>3,682</u> | <u>2,881</u> | |
| Note 9 - Property, plant and equipment | | | |
| | Furniture and Fittings | Office Equipment | Total |
| | \$ | \$ | \$ |
| At 30 June 2022 | | | |
| Cost | 174,584 | 169,247 | 343,831 |
| Accumulated depreciation | (161,229) | (135,437) | (296,666) |
| <i>Net carrying amount</i> | <u>13,355</u> | <u>33,810</u> | <u>47,165</u> |
| Movements in carrying amounts | | | |
| Opening net carrying amount | 13,355 | 33,810 | 47,165 |
| Additions | 6,151 | 22,401 | 28,552 |
| Disposals | (3,001) | - | (3,001) |
| Depreciation charge for the year | (2,626) | (17,300) | (19,926) |
| Closing net carrying amount | <u>13,879</u> | <u>38,911</u> | <u>52,790</u> |
| At 30 June 2023 | | | |
| Cost | 118,920 | 85,451 | 204,371 |
| Accumulated depreciation | (105,041) | (46,540) | (151,581) |
| <i>Net carrying amount</i> | <u>13,879</u> | <u>38,911</u> | <u>52,790</u> |
| | 2023 | 2022 | |
| | \$ | \$ | |
| Note 10 - Right-of-use assets | | | |
| Leased offices & motor vehicles - at cost | 700,047 | 657,374 | |
| Accumulated depreciation | (61,642) | (515,300) | |
| <i>Total right-of-use assets</i> | <u>638,405</u> | <u>142,074</u> | |
| Movements in carrying amounts | | | |
| Opening net carrying amount | 142,074 | 93,967 | |
| Additions - new leases entered into | 673,882 | 161,333 | |
| Disposals | (33,792) | - | |
| Depreciation charge for the year | (143,759) | (113,226) | |
| Closing net carrying amount | <u>638,405</u> | <u>142,074</u> | |

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

| | 2023 \$ | 2022 \$ |
|--|------------------|----------------|
| <u>Note 11 - Trade and other payables</u> | | |
| <u>Current</u> | | |
| Trade payables | 26,151 | 69,882 |
| Grant funding in advance | 6,400,902 | 192,515 |
| Other payables | 577,030 | 70,530 |
| <i>Total current trade and other payables</i> | <u>7,004,083</u> | <u>332,927</u> |
| <u>Note 12 - Employee benefits</u> | | |
| <u>Current</u> | | |
| Annual leave | 91,233 | 76,540 |
| Long service leave | 56,253 | 48,992 |
| <i>Total current employee benefits</i> | <u>147,486</u> | <u>125,532</u> |
| <u>Non-current</u> | | |
| Long service leave | 49,361 | 29,281 |
| <i>Total non-current employee benefits</i> | <u>49,361</u> | <u>29,281</u> |
| <u>Note 13 - Lease liabilities</u> | | |
| <u>Current</u> | | |
| Lease liabilities | 114,734 | 133,018 |
| <i>Total current lease liabilities</i> | <u>114,734</u> | <u>133,018</u> |
| <u>Non-current</u> | | |
| Lease liabilities | 537,894 | 10,026 |
| <i>Total non-current lease liabilities</i> | <u>537,894</u> | <u>10,026</u> |
| <i>Movements in carrying amounts</i> | | |
| Opening net carrying amount | 143,044 | 131,960 |
| Additions | 673,882 | 161,333 |
| Disposals | (34,917) | - |
| Repayments | (153,792) | (157,774) |
| Interest | 24,411 | 7,525 |
| Closing net carrying amount | <u>652,628</u> | <u>143,044</u> |
| <u>Note 14 - Key management personnel</u> | | |
| <i>Remuneration of key management personnel</i> | | |
| The aggregate amount of compensation paid to key personnel during the year was: | <u>427,091</u> | <u>371,315</u> |
| <u>Note - 15 Commitments</u> | | |
| <i>Operating lease commitments</i> | | |
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: | | |
| Within one year | 3,384 | 3,384 |
| Later than one year but not later than five years | 7,050 | 10,434 |
| | <u>10,434</u> | <u>13,818</u> |

The Association is committed to a short-term and low-value lease in relation to a photocopier. This lease was renewed on 16 July 2021 for a five year term.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2023

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| <u>Note 16 - Auditor's remuneration</u> | | |
| Fees paid to StewartBrown, Chartered Accountants: | | |
| Audit of the financial report | 16,100 | 15,500 |
| Preparation of the financial report | 2,700 | 2,600 |
| Other advisory services | 1,000 | 1,000 |
| <i>Total auditor's remuneration</i> | <u>19,800</u> | <u>19,100</u> |
| <u>Note 17 - Government grants</u> | | |
| The Association has recognised government grant revenue from the following levels of government and departments: | | |
| Commonwealth | | |
| Department of Health & Aged Care | <u>496,094</u> | <u>496,947</u> |
| | <u>496,094</u> | <u>496,947</u> |
| State - New South Wales | | |
| NSW Ministry of Health | 1,889,297 | 1,764,309 |
| Department of Communities and Justice | - | 34,852 |
| | <u>1,889,297</u> | <u>1,799,161</u> |
| <i>Total government grants</i> | <u>2,385,391</u> | <u>2,296,108</u> |

Note 18 - Contingent liabilities

At balance date the Association is not aware of the existence of any contingent liability.

Note 19 - Events occurring after balance date

There were no significant events occurring after balance date.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC
ABN 52 793 744 040

FINANCIAL REPORT - 30 JUNE 2023

COMMITTEE MEMBERS' DECLARATION

The Committee Members of the Network of Alcohol and Other Drugs Agencies Inc declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *NSW Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations); and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Association.
2. In the opinion of the Committee Members there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Committee Members.



Leone Crayden
Chair

21 August 2023

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC
ABN 52 793 744 040

FINANCIAL REPORT - 30 JUNE 2023

COMMITTEE MEMBERS' DECLARATION
UNDER THE CHARITABLE FUNDRAISING ACT 1991

In the opinion of the Committee Members of the Network of Alcohol and Other Drugs Agencies Inc:

- (i) The financial statements and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals conducted by the organisation for the year ended 30 June 2023;
- (ii) The statement of financial position as at 30 June 2023 gives a true and fair view of the state of affairs of the Association with respect to fundraising appeals conducted by the organisation;
- (iii) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the organisation; and
- (iv) The internal controls exercised by the Association are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Committee Members.



Leone Crayden
Chair

21 August 2023

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC
ABN 52 793 744 040

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC

Opinion

We have audited the financial report of the Network of Alcohol and Other Drugs Agencies Inc which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee Members' Declaration.

In our opinion, the accompanying financial report of the Network of Alcohol and Other Drugs Agencies Inc is in accordance with the *NSW Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year then ended, and
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and 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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *NSW Associations Incorporation Act 2009*, *Australian Charities and Not-for-profits Commission Act 2012* 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 confirm that the independence declaration required by the *NSW Associations Incorporation Act 2009* and *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the responsible persons of the Association, would be in the same terms if given to the responsible persons as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Committee Members' Responsibility for the Financial Report

The Committee Members of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Committee Members determine 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 Committee Members are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee Members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Committee Members are responsible for overseeing the Association's financial reporting process.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC
ABN 52 793 744 040

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC

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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Committee Members 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.

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the Association in accordance with section 24(1) of the *Charitable Fundraising Act 1991*. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *NSW Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act 1991* and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year-end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year-end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Charitable Fundraising Act 1991* has been formed on the above basis.

NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC
ABN 52 793 744 040

FINANCIAL REPORT - 30 JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NETWORK OF ALCOHOL AND OTHER DRUGS AGENCIES INC

Auditor's opinion

Pursuant to the requirements of Section 24(1) of the *Charitable Fundraising Act 1991* we report that:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2023;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2022 to 30 June 2023, in accordance with the *Charitable Fundraising Act 1991* and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period 1 July 2022 to 30 June 2023 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and Regulations; and
- d) at the date of this report there are reasonable grounds to believe that Association will be able to pay its debts as and when they become due and payable.



Stewart Brown
Chartered Accountants



Stuart Hutcheon
Partner

21 August 2023