
FINANCIAL
REPORT FOR
THE YEAR
ENDED 30 JUNE
2023

Alcohol and Drug
Foundation Inc.
ABN 66 057 731 192

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Revenue & Income	2	19,932,405	20,995,055
Personnel expenses	3	(11,729,297)	(10,489,149)
Occupancy expenses	3	(102,386)	(59,950)
Interest expense on lease liabilities	12	(81,833)	(96,772)
Communication expenses		(94,718)	(91,701)
Depreciation expenses	8	(97,407)	(127,806)
Lease depreciation	9	(303,578)	(391,313)
Computer hardware & software expenses		(500,376)	(498,683)
Cost of sales		(6,899)	(14,970)
Project expenses		(6,016,064)	(8,598,068)
Other expenses	3	(555,918)	(592,624)
Surplus before income tax		443,929	34,020
Income tax expense		-	-
Surplus for the year		443,929	34,020
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		443,929	34,020

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023	2022
		\$	\$
Current Assets			
Cash and cash equivalents	4	9,523,968	7,836,934
Trade and other receivables	5	552,417	653,749
Inventory	6	25,523	31,196
Other assets	7	120,561	133,779
Total Current Assets		10,222,469	8,655,659
Non-Current Assets			
Property, plant & equipment	8	135,842	157,783
Right-of-use assets	9	1,155,907	1,147,057
Investments	10	978,610	943,495
Other assets	7	242,283	271,648
Total Non-Current Assets		2,512,642	2,519,983
TOTAL ASSETS		12,735,111	11,175,641
Current Liabilities			
Trade and other payables	11	417,764	664,937
Lease liabilities	12	393,319	310,850
Provisions	13	914,474	812,014
Contract liabilities	14	2,581,173	1,456,596
Total Current Liabilities		4,306,730	3,244,398
Non-Current Liabilities			
Lease liabilities	12	1,131,698	1,209,355
Provisions	13	670,170	539,305
Total Non-Current Liabilities		1,801,868	1,748,660
TOTAL LIABILITIES		6,108,598	4,993,058
NET ASSETS		6,626,513	6,182,584
Equity			
Retained earnings	15	6,626,513	6,182,584
TOTAL EQUITY		6,626,513	6,182,584

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	6,148,564	6,148,564
Surplus after income tax expense for the year	34,020	34,020
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	34,020	34,020
Balance at 30 June 2022	6,182,584	6,182,584
Surplus after income tax expense for the year	443,929	443,929
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	443,929	443,929
Balance at 30 June 2023	6,626,513	6,626,513

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers and funders		22,796,059	13,227,589
Payment to suppliers and employees		(20,892,123)	(21,954,510)
Interest paid on lease liability	12	(81,833)	(96,772)
Interest received		258,014	43,167
Net cash provided by/(used in) operating activities	16(b)	2,070,117	(8,780,526)
Cash flows from investing activities			
Purchases of plant & equipment	8	(75,467)	(86,489)
Purchase of investments		-	(1,000,000)
Net cash used in investing activities		(75,467)	(1,086,489)
Cash flows from financing activities			
Payment of lease liabilities	12	(317,616)	(361,844)
Receipt of lease cash incentive	9	10,000	-
Net cash used in financing activities		(307,616)	(361,844)
Net change in cash & cash equivalents held		1,687,034	(10,228,858)
Cash & cash equivalents at the beginning of the financial year		7,836,934	18,065,792
Cash & cash equivalents at the end of the financial year	16(a)	9,523,968	7,836,934

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate information

The Alcohol and Drug Foundation Inc. (the "Association") is an Association incorporated and domiciled in Australia. The financial report of Alcohol and Drug Foundation was authorised for issue by the Directors on 26th September 2023 and covers the Alcohol and Drug Foundation as an individual entity.

(b) Re grouping of previous years information

The Association has re-grouped previous years information where required.

(c) Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.

New or amended Accounting Standards and interpretations adopted

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

The following Accounting Standards and Interpretations are most relevant to the Association.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Association has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Association's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Association has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

(d) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously

estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(e) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and liabilities is set out below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Association's trade and most other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on a case-by-case basis when they are past due at the balance sheet date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement.

When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

In some circumstances, the Alcohol and Drug Foundation renegotiates repayment terms with customers which may lead to changes in the timing of the payments. At such times the Alcohol and Drug Foundation does not necessarily consider the balance to be impaired, however an assessment is made on a case-by-case basis.

Financial liabilities

The Alcohol and Drug Foundation's liabilities relate to trade and other payables. These are classified as other financial liabilities and are measured at amortised cost using the effective interest rate method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the profit or loss are included within "finance costs" or "finance income".

(f) Impairment of assets

At each reporting date, the Association reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is assessed as the depreciated replacement cost of each asset. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(g) Trade and other receivables

Trade receivables, which generally have 14–30-day terms, are recognised and carried at original invoice amount less an allowance for any expected credit losses. The Association applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off where there is no reasonable expectation of recovery.

(h) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the entity prior to the end of the financial year that are unpaid and arise when the entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(i) Employee benefits

Wages, Salaries, and Annual Leave

Liabilities for wages, salaries, and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated based on remuneration wage and salary rates that the entity expects to pay as of reporting date including related on-costs, such as workers compensation insurance.

Short-term service benefits, including holiday entitlement, are current liabilities included in employee provisions, measured at the undiscounted amount the Association expects to pay as a result of the unused entitlement.

Long-term service benefits

The Association's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on costs and expected settlement dates and is discounted using the rates attached to the Australian corporate bonds at the balance sheet date which have maturity dates approximating the terms of the Association's obligations.

Superannuation

The amount charged to the statement of comprehensive income in respect of superannuation represents the contributions made by the Association to superannuation funds.

(j) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Alcohol and Drug Foundation commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Furniture & Equipment	15% - 33%
Computers	33%
Leasehold Improvements	Amortised over the life of the lease term

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(k) Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values and bank overdrafts.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated selling expenses.

(m) Income tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(n) Revenue and Income

Revenue from operating activities

Grant revenue with sufficiently specific and enforceable performance obligations

Grant funds received by the Association that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the Association satisfies its performance obligations.

Grant income without sufficiently specific and enforceable performance obligations

Grant funds received by the Association that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds.

Revenue & Income from Other Operating Activities

Donation income

Donation income is recognised when the Association gains control of the funds and when the funds provided do not give rise to an obligation.

Fees revenue

Fees revenue for workshops, conferences and consultancies is recognised over time as services are provided.

Royalties revenue

Royalties revenue is recognised over time as services are provided.

Revenue & Income from Non-Operating Activities

Investment income

Investment income is recognised on an accrual basis using the effective interest method.

Other revenue

Other revenue is recognised over time as performance obligations are satisfied.

Other income

Other income is recognised on receipt.

(o) Goods and services tax (GST)

Revenues & Income, 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. 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as cash flows from operating activities.

(p) Leases

The Association leases various properties. Rental contracts are typically made for fixed periods of month to month to 5 years but may have extension options as described below.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Association.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Payments of penalties for terminating the lease, if the lease term reflects the Association exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined,

which is generally the case, the Association's incremental borrowing rate is used, being the rate that the Association would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Association where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Association is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of property and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to Association's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. Association reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(q) Grants received in advance

Grants received in advance is the liability for unutilised or unearned grant income. Revenue will be recognised over time when specified performance obligations are met, usually within 12 months. Obligations that are not fulfilled may result in repayment of income.

(r) Economic dependence

The Association is dependent upon the receipt of grants from the Commonwealth and States governments to ensure the ongoing continuance of its programs. At the date of this report the Board has no reason to believe that this financial support will not continue.

(s) Standards and interpretations not yet effective which have not been early adopted

There are a number of standards and interpretations which have been issued but are not yet effective. The impact of these pronouncements on the Association's reported financial position and performance is not material. Management anticipates that all pronouncements will be adopted in the Association's financial statements for the first period beginning after the effective date of the pronouncement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 2 REVENUE & INCOME

	2023	2022
	\$	\$
Revenues from Operating Activities		
Federal Government	15,752,543	16,444,100
Victoria	1,611,730	1,754,604
New South Wales	620,000	917,500
Tasmania	587,471	655,594
Western Australia	237,500	237,500
Northern Territory	151,209	95,493
South Australia	339,168	235,763
Grants - Other	219,832	554,079
Total Revenue from Operating activities	19,519,453	20,894,633
Revenue & Income from Other Operating Activities		
Donations - Trusts, corporate & individual donors	21,853	69,186
Sale of Stock of Publications	15,127	34,151
Royalties	7,285	5,988
Total other operating income	44,265	109,325
Total Revenue and Income from Operating activities	19,563,718	21,003,958
Revenue & Income from Non-Operating Activities		
Sundry income		
Investment income - Interest on Deposits on call, including term deposits	328,396	43,167
Investment income - Externally Managed	20,071	29,045
Net profit/(Loss) on change in fair value through profit & loss of investments	20,220	(81,115)
Total Revenue & Income from Non-operating activities	368,687	(8,903)
Total Revenue & Income	19,932,405	20,995,055

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

	2023	2022
	\$	\$
NOTE 3 EXPENSES		
Salaries and wages	10,294,041	9,355,851
Superannuation	1,054,593	902,522
Other personnel expenses	380,662	230,776
Total Personnel expenses	11,729,297	10,489,149
Low value and short term lease expense	102,386	59,950
Total occupancy expenses	102,386	59,950
Remuneration of auditor	55,806	58,853
Staff recruitment and amenities	146,154	305,126
Outgoings and utilities	241,389	228,310
Other expenses	112,569	335
Total other expenses	555,918	592,624
Total occupancy and other expenses	658,304	652,574
NOTE 4 CASH & CASH EQUIVALENTS		
Cash at bank	2,823,968	1,136,934
Deposits on call, including term deposits	6,700,000	6,700,000
Total cash and cash equivalents	9,523,968	7,836,934
NOTE 5 TRADE & OTHER RECEIVABLES		
Trade debtors	414,530	488,132
less allowance for expected credit losses	-	(14,577)
GST Receivable	5,285	104,074
Accrued income	86,404	16,022
Other receivables	46,198	60,099
Total and other receivables	552,417	653,749
NOTE 6 INVENTORY		
Current stock of publications at cost	35,412	31,196
less provision for obsolete stock	(9,889)	-
Total inventory	25,523	31,196
NOTE 7 OTHER ASSETS		
Prepayments	114,370	127,587
Security Deposits (current)	6,191	6,192
Total other assets (current)	120,561	133,779
Security deposits (non-current)	242,283	271,648
Total other assets (non-current)	242,283	271,648

The Security Deposits are held over the Lease Agreements for Alcohol and Drug Foundation's leased Premises.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

	2023	2022
	\$	\$
NOTE 8 PROPERTY PLANT & EQUIPMENT		
Furniture & equipment	922,452	846,986
less accumulated depreciation	(786,610)	(693,381)
	135,842	153,605
Leasehold improvements	403,732	403,732
less accumulated depreciation	(403,732)	(399,555)
	-	4,178
Total property plant & equipment	135,842	157,783
	Furniture & Equipment	Furniture & Equipment
Movements in carrying amounts		
Carrying amount at beginning of the year	153,604	161,123
Additions	75,467	86,489
Depreciation expense	(93,229)	(94,007)
Carrying amount at end of the year	135,842	153,604
	Leasehold Improvements	Leasehold Improvements
Movements in carrying amounts		
Carrying amount at beginning of the year	4,178	37,977
Additions	-	-
Depreciation expense	(4,178)	(33,799)
Carrying amount at end of the year	-	4,178
NOTE 9 RIGHT-OF-USE ASSETS		
Right-of-use assets	2,578,244	2,294,748
less accumulated Lease depreciation	(1,422,337)	(1,147,691)
Total Right-of-use assets	1,155,907	1,147,057
Movements in carrying amounts		
Right-of-use assets - on adoption of AASB 16 Leases		
Right-of-use assets - Carrying amount at beginning of the year	1,147,057	2,028,233
Additions	219,463	174,395
Cash incentive	(10,000)	-
Remeasurement of existing leases	102,965	(720,762)
Lease depreciation	(303,578)	(334,809)
Total Right-of-use assets	1,155,907	1,147,057
NOTE 10 INVESTMENTS		
Australian Shares	189,272	173,737
International Shares	39,033	32,863
Real Assets	9,304	10,158
Interest Rate Securities	501,292	501,923
Cash and Term Deposits	239,709	224,814
Total investments at Fair Value	978,610	943,495

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

	2023	2022
	\$	\$
NOTE 11 TRADE & OTHER PAYABLES		
Trade creditors, accruals, super and PAYG payables	409,670	664,937
Other sundry creditors	8,094	-
Total trade and other payables	417,764	664,937

NOTE 12 LEASE LIABILITIES

Opening balance	1,520,205	2,428,416
Remeasurement of existing leases	102,965	(720,762)
Leases recognised during the year	219,463	174,395
Less Payment of leases	(317,616)	(361,844)
Total lease liabilities at the end of the year	1,525,017	1,520,205
Classification of leases		
Current	393,319	310,850
Non current	1,131,698	1,209,355
Total lease liabilities at the end of the year	1,525,017	1,520,205
Movements in carrying amounts		
Leases-Carrying amount at beginning of the year	1,520,205	2,428,416
Leases recognised during the year	219,463	174,395
Remeasurement of existing leases	102,965	(720,762)
Add: Interest on lease liabilities	81,833	96,772
Less: Payment of lease liabilities	(399,449)	(458,616)
Total lease liabilities at the end of the year	1,525,017	1,520,205

NOTE 13 PROVISIONS

<i>Current</i>		
Employee Benefits	914,474	812,014
Total current provisions	914,474	812,014

<i>Non-current</i>		
Employee Benefits	455,391	367,588
Lease Makegood	214,779	171,717
Total non-current provisions	670,170	539,305

NOTE 14 OTHER LIABILITIES

<i>Current</i>		
Deferred Revenue	2,581,173	1,456,596
Total other liabilities	2,581,173	1,456,596

NOTE 15 RETAINED EARNINGS

Retained earnings at the beginning of the financial year	6,182,584	6,148,564
Surplus attributable to the Association	443,929	34,020
Total retained earnings at the end of the financial year	6,626,513	6,182,584

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

	2023	2022
	\$	\$

NOTE 16 CASH FLOW INFORMATION

(a) Reconciliation of cash on hand		
Cash at bank	2,823,968	1,136,934
Deposits on call	6,700,000	6,700,000
Total cash at bank and deposits	9,523,968	7,836,934
(b) Reconciliation of operating result to net cash provided by/(used in) operating activities		
Operating Result	443,929	34,020
Depreciation	400,985	519,119
Decrease/(Increase) in receivables and other assets	108,800	(155,775)
Decrease in inventory	5,673	1,097
Increase/(Decrease) in payables and other liabilities	1,110,730	(9,178,986)
Cash flows from operating activities	2,070,117	(8,780,526)

(c) At 30 June 2023, the Association had no available credit lines in operation.

(d) There were no non-cash financing or other activities during the period.

NOTE 17 KEY MANAGEMENT PERSONNEL DISCLOSURES

The Association's related parties include its key management personnel.

Key management of the Association are the executive Association.

The key management personnel compensation included in employee benefits expense is as follows:-

Total Key Management Personal Compensation	1,161,692	1,114,520
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NOTE 18 RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 19 POST REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting and authorisation dates.

NOTE 20 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Association in relation to 2023 or 2022.

DIRECTORS' DECLARATIONS

DIRECTORS' DECLARATION

In the opinion of the Directors of Alcohol and Drug Foundation Inc.:

- 1) The financial statements and notes of Alcohol and Drug Foundation Inc. are in accordance with *the Australian Charities and Not-for-profits Commission Act 2022*, including:
 - a) Complying with Australian Accounting Standards- Simplified Disclosures (including Australian Accounting Interpretations), *the Association Incorporations Reform Act 2012*, and *the Australian Charities and Not-for-profits Commission Regulations 2022*; and
 - b) Giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- 2) At the date of this statement, there are reasonable grounds to believe that the Alcohol and Drug Foundation Inc. will be able to pay its debts as and when they become due and payable.

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

Dated this 26 September 2023



Chairman



Director/Chair of Audit & Risk

INDEPENDENT AUDITOR'S REPORT

To the members of Alcohol and Drug Foundation Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alcohol and Drug Foundation Incorporated (the registered entity), 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 equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Alcohol and Drug Foundation Incorporated, 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 registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

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 registered entity in accordance with the auditor independence requirements of 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 (including Independence Standards)* (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.

Other matter

The financial report of Alcohol and Drug Foundation Incorporated, for the year ended 30 June 2022, was audited by another auditor who expressed an unmodified opinion on that report on 27 September 2022.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is



necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

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 website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A handwritten signature in black ink, consisting of the letters 'EB' followed by a stylized, cursive flourish.

Elizabeth Blunt
Director

Melbourne, 26 September 2023



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DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE DIRECTORS OF ALCOHOL AND DRUG FOUNDATION INCORPORATED

As lead auditor of Alcohol and Drug Foundation Incorporated for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'EB', is written over a light grey rectangular background.

Elizabeth Blunt
Director

BDO Audit Pty Ltd

Melbourne, 26 September 2023