ANNUAL FINANCIAL REPORT 2014-15

REBUILD LIVES
RENEW HOPE
RESTORE FAITH

St Vincent de Paul Society
QUEENSLAND
good works

vinnies.org.au

This page is left intentionally blank

St Vincent de Paul Society
QUEENSLAND
good works

Statement by State Council

The members of the State Council declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
   a. comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
   b. give a true and fair view of the entity's financial position as at 30 June 2015 and of its performance for the year ended on that date.

2. In the Councillors' opinion, there are reasonable grounds to believe that the entity 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 State Council.

JH Forrest

John Forrest

State President

Peter Driver

State Treasurer

25 September 2015

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY C J SKELTON TO THE COUNCILLORS OF ST VINCENT DE PAUL SOCIETY QUEENSLAND

As lead auditor of St Vincent de Paul Society Queensland for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Professional Accounting Bodies* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of St Vincent de Paul Society Queensland and the entities it controlled during the period.

C J Skelton
Director

BDO Audit Pty Ltd

Brisbane, 25 September 2015

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of St Vincent de Paul Society Queensland

We have audited the accompanying financial report of St Vincent de Paul Society Queensland, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the responsible entities.

Responsible Entities' Responsibility for the Financial Report

The Responsible Entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Society's Constitution and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal controls as the responsible entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

BDO

Independence

In conducting our audit, we have complied with the independence requirements of the *Professional Accounting Bodies*. We confirm that the independence declaration which has been given to the Councillors of St Vincent de Paul Society Queensland, would be in the same terms if given to the Councillors as at the time of this auditor's report.

Basis for Qualified Opinion

Donations and other fund raising activities are a significant source of fundraising revenue for the Society. As is common for organisations of this type, the Society has determined that it is impracticable to establish control over donations and other fund raising activities prior to their initial entry in its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to donations and other fund raising activities had to be restricted to the amounts recorded in the financial records amounting to $5,264,078. We therefore are unable to express an opinion whether donations and other fund raising activities of the Society recorded are complete.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of St Vincent de Paul Society Queensland is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission *Act 2001*, including:

(i) giving a true and fair view of the Society's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards- Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission *Regulation 2013*.

BDO Audit Pty Ltd

BDO

C J Skelton
Director

Brisbane, 25 September 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	NOTE	2015 $			2014 $		
		REVENUE	OPERATING EXPENSES	NET SURPLUS / (DEFICIT)	REVENUE	OPERATING EXPENSES	NET SURPLUS / (DEFICIT)
Community Services							
Child and Family Support Services		4,692,607	4,835,637	(143,030)	4,532,744	4,622,749	(90,005)
Homelessness Services		1,124,993	1,404,193	(279,200)	1,106,096	1,157,434	(51,338)
Financial Assistance Services		197,571	285,245	(87,674)	318,238	256,889	61,349
Help for People in Crisis		2,561,846	7,052,511	(4,490,665)	4,384,369	7,216,235	(2,831,866)
Natural Disaster Relief Operations		867,948	521,618	346,330	23,029	324,213	(301,184)
Migrants and Refugees		453,593	563,576	(109,983)	455,329	598,217	(142,888)
Overseas Development		45,271	323,399	(278,128)	900	431,867	(430,967)
Youth Services		128,877	931,615	(802,738)	102,838	655,449	(552,611)
Disability Services		3,107,943	2,787,531	320,412	2,734,511	2,643,552	90,959
Community Housing		3,401,789	3,370,669	31,120	3,329,405	2,545,168	784,237
Home assist services		7,193,267	7,417,299	(224,032)	5,014,495	5,347,086	(332,591)
		23,775,705	**29,493,293**	**(5,717,588)**	**22,001,954**	**25,798,859**	**(3,796,905)**
Supporting Services							
Fundraising		4,941,564	1,072,530	3,869,034	4,835,165	1,027,723	3,807,442
Administration Services		157,071	506,829	(349,758)	81,367	511,649	(430,282)
Operational Support Services	#, ##	4,437,566	3,396,431	1,041,135	2,524,044	4,257,158	(1,733,114)
Retail Operations		25,537,401	14,375,478	11,161,923	22,918,441	12,979,667	9,938,774
Warehouse Services		1,405,678	4,760,573	(3,354,895)	1,623,510	4,847,216	(3,223,706)
		36,479,280	**24,111,841**	**12,367,439**	**31,982,527**	**23,623,413**	**8,359,114**
Shared Services							
Finance Services		2,171	250,797	(248,626)	–	432,538	(432,538)
Human Resource Services		–	44,965	(44,965)	–	3,580	(3,580)
Information Technology Services		98	221,103	(221,005)	–	257,024	(257,024)
Legal and Compliance Services		61,297	395,817	(334,520)	19,751	378,292	(358,541)
		63,566	**912,682**	**(849,116)**	**19,751**	**1,071,434**	**(1,051,683)**
	2,3	**60,318,551**	**54,517,816**	**5,800,735**	**54,004,232**	**50,493,706**	**3,510,526**
Total Surplus				**5,800,735**			**3,510,526**

\# Expenses 2014 include significant items for Legal provision and Financial costs as detailed in Note 3.
\## Revenue 2015 include unrealised gains on Financial Assets due to change in accounting policy, refer Early Adoption of AASB 9, detailed in Note 1(e), and Insurance Recovery in Note 2.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	NOTE	2015 $	2014 $
Total surplus brought forward	2,3	5,800,735	3,510,526
Other comprehensive income			
Reclassification adjustment on sale of available for sale financial assets	10(b)	–	(366,112)
Reclassification adjustment on impairment of available for sale financial assets	10(b)	–	3,058
Net changes in fair value of available for sale financial assets	10(b)	–	1,437,473
Other comprehensive income for the year		**–**	**1,074,419**
Total comprehensive income for the year		**5,800,735**	**4,584,945**

This financial statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	NOTE	2015 $	2014 $
Current assets			
Cash and cash equivalents	5	5,658,419	17,282,978
Trade and other receivables	6	1,938,676	1,196,546
Inventories	7	124,080	124,103
Other assets	8	773,703	570,541
Total current assets		**8,494,878**	**19,174,168**
Non-current assets			
Other assets	8	100,000	100,000
Property, plant and equipment	9	76,181,888	69,130,604
Available for sale financial assets	10	–	12,659,377
Financial Assets at fair value through profit or loss	10	23,802,126	–
Total non-current assets		**100,084,014**	**81,889,981**
Total assets		**108,578,892**	**101,064,149**
Current liabilities			
Trade and other payables	11	2,104,978	2,006,098
Current provisions	13	4,036,688	3,506,009
Interest bearing liabilities	12	708,478	469,902
Grants in Advance	14	1,002,645	2,418,304
Total current liabilities		**7,852,789**	**8,400,313**
Non-current liabilities			
Interest bearing liability	12	6,876,125	4,132,293
Non-current provisions	13	1,316,830	1,085,401
Grants in advance	14	20,443,556	21,157,285
Total non-current liabilities		**28,636,511**	**26,374,979**
Total liabilities		**36,489,300**	**34,775,292**
Net assets		**72,089,592**	**66,288,857**
Equity			
Reserves	15	7,941,911	9,271,611
Accumulated funds	15	64,147,681	57,017,246
Total equity		**72,089,592**	**66,288,857**

This financial statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Note	$	Reserves $	Accumulated Funds $	Total $
		Property Revaluation Reserve	**Available for Sale Financial Assets Fair Value Reserve**		
Balance at 30 June 2013		**7,941,911**	**255,281**	**53,506,720**	**61,703,912**
Total comprehensive income for the period					
Net surplus for the period reported 30 June 2014		–	–	3,510,526	3,510,526
Other comprehensive income					
- Reclassification adjustment on disposal of property		–	–	–	–
- Reclassification adjustment on sale of available for sale financial assets		–	(366,112)	–	(366,112)
- Reclassification adjustment on impairment of available for sale financial assets		–	3,058	–	3,058
- Net changes in fair value of available for sale financial assets		–	1,437,473	–	1,437,473
Total comprehensive income for the period		–	1,074,419	3,510,526	4,584,945
Balance at 30 June 2014		**7,941,911**	**1,329,700**	**57,017,246**	**66,288,857**
Total comprehensive income for the period					
Net surplus for the period 30 June 2015		–	–	5,800,735	5,800,735
Other comprehensive income					
- Reclassification adjustment on impairment of available for sale financial assets		–	–	–	–
- Net changes in fair value of available for sale financial assets		–	–	–	–
Total comprehensive income for the period		**–**	**–**	**5,800,735**	**5,800,735**
- Reclassification adjustment of available for sale financial assets on early adoption of new accounting standards	1(a),15	–	(1,329,700)	1,329,700	–
Balance at 30 June 2015	15	**7,941,911**	**–**	**64,147,681**	**72,089,592**

This financial statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	2015 $	2014 $
Cash flows from Operating Activities			
Receipts from operating activities		58,274,852	54,918,691
Payments to suppliers and employees		(53,277,857)	(48,137,155)
Interest received		653,529	682,859
Dividends received		635,540	703,136
Interest and other costs of finance paid		(297,809)	(196,536)
Net cash provided by operating activities	18(b)	**5,988,255**	**7,970,995**
Cash flows from Investing Activities			
Proceeds - sale of property, plant and equipment		2,932,290	2,317,433
Proceeds - sale of available for sale financial assets		16,879,687	9,487,894
Payment for property, plant and equipment		(13,283,237)	(8,247,514)
Payment for available for sale financial assets		(27,123,962)	(8,466,588)
Net cash used in investing activities		**(20,595,222)**	**(4,908,775)**
Cash flows from Financing Activities			
Repayment of borrowings		(559,725)	(855,798)
Proceeds from borrowings		3,542,133	2,294,605
Net cash provided by financing activities		**2,982,408**	**1,438,807**
Net increase/ (decrease) in cash		(11,624,559)	4,501,027
Cash and cash equivalents at the beginning of the financial year		17,282,978	12,781,951
Cash and cash equivalents at the end of the financial year	18(a)	**5,658,419**	**17,282,978**

This financial statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St Vincent de Paul Society Queensland, (the Society) is a non-government charitable organisation. The financial report covers the economic activities of the Society in Queensland. The Society is a body incorporated under letters patent.

The Society is a non-profit organisation and receives a principal part of its income from donations, as cash or in kind. The Society is a deductible gift recipient (DGR).

The financial statements, which are presented in Australian dollars, were authorised for issue on 25 September 2015 by the State Council.

The Society is a non-profit entity for financial reporting purposes under Australian Accounting Standards.

(a) Basis of Preparation

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. The Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards AIFRS. Due to the application of Australian specific provisions for Not-for-profit entities contained only within Australian Accounting Standards, the financial report and notes thereto are not necessarily compliant with all International Financial Reporting Standards.

Adoption of new and revised Accounting Standards

New and amended standards and interpretations that are mandatory for the first time for the financial year beginning 1 July 2014 have been adopted. The adoption of these standards and interpretations did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

Early Adoption of Standards

The Society has adopted AASB 9 Financial Instruments (AASB 9) early with initial application from 1 July 2014. This standard has not been applied retrospectively. In accordance with AASB 9 the Society has designated its investments in equity securities that were formerly designated as “Available for Sale” (refer to note 1 (e) for information on the accounting policies regarding the accounting for these assets when they were previously classified as “Available for Sale” under AASB 139), as “Financial Assets at Fair Value through Profit or Loss” as disclosed in note 10.

These equity instruments have been reclassified due to a change in the nature of these investments such that they are now classified as held for trading (refer Note 15). This results in all gains and losses from these investments, and all fair value movements being directly recognised through profit or loss in the statement of profit or loss and other comprehensive income.

As a result of the change, $12,659,377 of listed equity securities were transferred from Available for Sale Financial Assets to Financial Assets at Fair Value through Profit or Loss. These assets were revalued during the year ended 30 June 2015 to $23,802,126 with the fair value gains of $898,471 being recognised through profit or loss in the statement of profit or loss and other comprehensive income. As the application of this standard did not impact the financial position or performance in the previous financial year no adjusted opening balance or any other impacts are required to be disclosed.

The Society has not elected to apply any other pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

New Accounting Standards not yet Effective

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial years ended 30 June 2015. They have not been adopted in preparing the financial statements for the year ended 30 June 2015 (or for late financial reports of earlier periods) and are expected to impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated below.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Preparation (continued)

AASB 15

The new revenue recognition standard, AASB 15 Revenue from Contracts with Customers is a result of a joint project of the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB). The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue. The Society is still determining the effect on the financial statements on implementation of the Standard (effective 1 January 2018).

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historic costs modified by the revaluations of selected financial assets, for which the fair value basis of accounting has been applied.

(b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery and/or control of the goods has passed to the buyer.

Government grants

Grants are principally of a recurrent or capital nature and intended to fund ongoing operations or asset acquisitions.

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the Society obtains control of the funds.

The Society has determined that capital grant income shall be recognised over the term of the agreement where the terms of the grant include service requirements and other conditions. As the conditional agreement extends to the life of the agreement (20 to 40 years) the Society has determined that the capital grants will be initially recognised as a deferred income liability and amortised to capital grant income over the period of the agreement.

Client contributions

Client contributions by clients who have the capacity to pay are recognised when the service is provided.

Donations and bequests

Revenue or capital assets arising from donations and bequests is recognised when control is obtained, as it is impossible for the Society to reliably measure these prior to this time. For example, cash donations are recognised when banked and other donations are recognised when title or possession transfers to the Society.

Gifts in kind

Gifts in kind obtained for charitable purposes have a nil replacement value (that is they would be replaced by other donated goods), and as such revenue from the donations of these goods are not included in the financial statements other than as defined under donations and bequests.

Interest revenue

Revenue is recognised as the interest accrues for the accounting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue (continued)

Dividends

Dividends are recognised when the Society's right to receive payment is established.

Proceeds of non-current asset sales

The net gain from the sale of non-current assets is included as revenue when control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and net proceeds.

(c) Income And Fringe Benefits Tax

The Society is not subject to Income Tax.

The Society is entitled to a partial exemption from fringe benefits tax.

(d) Cash And Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and deposits at call or with an original maturity of less than three months, which are subject to insignificant risks of changes in their value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Financial instruments

Financial assets

All financial assets are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the financial assets. Where a financial asset is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after reporting date, which are classified as non-current. Refer to Notes 1(i) and 6 for further details.

Available for sale financial assets (AFSFA)

Available for sale financial assets are non-derivative investments that are not designated as another category of financial asset.

After initial recognition, available for sale financial assets are measured at fair value. Unrealised gains or losses arising from changes in the fair value of available for sale financial assets are recognised directly in other comprehensive income in the available for sale financial assets revaluation reserve. On sale, the amount held in available for sale revaluation reserve associated with that available for sale financial asset is recognised in profit or loss as a reclassification adjustment. Realised gains and losses on available for sale financial assets are classified as gains and losses on disposal in profit or loss. Refer to Note 10 for further details.

Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment) the full amount including any amount previously charged to other comprehensive income is recognised in profit or loss. Reversals of impairment losses on equity instruments classified as available for sale cannot be reversed through profit or loss. Reversals of impairment losses on debt instruments classified as available for sale can be reversed through profit or loss where the reversal relates to an increase in the fair value of the debt instrument occurring after the impairment loss was recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

Financial assets at fair value through profit or loss (FVTPL)

As at 1 July 2014 all AFSFA were reclassified as financial assets at fair value through profit or loss. The decision to reclassify the Financial Instruments was due to the following:

- Change of investment management resulting in an increased number of trades

  The Society moved investment managers from RBS Morgan Wealth Management to UBS Wealth at the beginning of July 2014. The change of investment managers resulted in a change of management processes which led to increased trading and a change in classification. AASB 139 does not allow the reclassification of existing assets to financial instruments at fair value through profit of loss.

- Early adoption of AASB 9

  The option to early adopt AASB 9 enabled the investments to be reclassified as financial assets at fair value through profit or loss (FVTPL) which reduced the onerous requirement to track the transactions as required under AASB139. It was also a transition that would be required in the near future. As there was a requirement to change, it was seen as an opportune time to early adopt. As such all Held for Trade Financial Assets (HFTFA) were reclassified as financial assets at FVTPL on 1st July 2014. The difference between the previous carrying value amount (AFSFA) and the original purchase price less impairments was recognised in retained earnings in at 1 July 2014. See Note 15 and Statement of Changes in Equity.

After initial recognition, financial assets at FVTPL are measured at fair value. All unrealised gains or losses arising from changes in the fair value are recognised in the profit or loss in the Statement of Profit or Loss and Other Comprehensive Income. On sale the difference between the fair value booked and the proceeds from sale are recognised in the profit or loss. As all movements between cost and fair value are passed through to Profit or Loss, no impairment is required.

Financial liabilities

Financial liabilities, including loans and borrowings, are recognised at amortised cost, comprising original debt less principal payments and amortisation. Refer to Notes 1(j), 1(l), 11 and 12 for further details.

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. GST received and paid during the financial year are stated at gross amounts in the Statement of Cash Flows and are included in receipts from operating activities and payments to suppliers respectively.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of assets as follows:

Class of Property, Plant and Equipment	Depreciation Rates
Buildings	2.50%
Furniture & fittings, leasehold improvements & office equipment	2.5% to 20%
Computer equipment	25% to 33.33%
Motor vehicles	15% to 20%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment (continued)

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

At each reporting date, the Diocesan Central Councillors review a number of factors affecting property, plant and equipment, including their carrying values, to determine if these assets may be impaired. If an impairment indicator 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 carrying value. Any excess of the asset's carrying value over its recoverable amounts is expensed in profit or loss as an impairment expense.

As the future economic benefits of the Society's assets are not primarily dependent on their ability to generate net cash inflows, and if deprived of the asset, the Society would replace the asset's remaining future economic benefits, 'value in use' is determined as the depreciated replacement cost of the asset, rather than by using discounted future cash flows.

Depreciated replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the assets future economic benefits of that asset could currently be obtained in the normal course of business.

(h) Inventories

Inventories held for sale are valued at the lower of cost and current replacement cost. Where inventories are held for distribution or are to be consumed by the Society in providing services or aid at no or nominal charge, they are valued at the lower of cost and current replacement cost.

(i) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(j) Trade and other creditors

Trade and other creditors represent unpaid liabilities for goods received by and services provided to the Society prior to the end of the financial year. The amounts are unsecured and are normally settled within 14-30 days.

(k) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

Finance leases which transfer to the Society substantially all the risks and benefits included in ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases (continued)

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

(l) Interest bearing liabilities

Interest bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

(m) Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Society expects to pay as at reporting date including on-costs.

Sick leave is non-vesting and no provision has been made.

The provision for annual leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the reporting date. The liability is recognised as current and noncurrent provisions dependent on the unconditional right to settlement of the liability within 12 months after the reporting date. The provision is calculated using expected future increases in wage and salary rates, expected settlement dates and is discounted using the rates attaching to corporate bonds at reporting date.

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the reporting date.

The liability for long service leave is recognised as current and noncurrent provisions, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on experience of employee departures and periods of service and is discounted using the rates attaching to corporate bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Superannuation

The Society contributes to complying funds at the required rate of the employees' wages and salaries. Superannuation contributions are recognised as an expense when incurred.

(n) Other Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Society has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Fair values

Fair values may be used for financial asset and liability measurement and well as for sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Society.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the Society uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

(p) Accounting estimates and judgements

Management have made the following judgements when applying the Society's accounting policies:

Available for sale financial assets (AFSFA)

All investments other than cash were categorised as available for sale financial assets for the 2014 year. As a result of being categorised as available for sale financial assets, changes in fair value that are not considered to be an impairment were recognised through other comprehensive income rather than the profit or loss.

Financial assets at fair value through profit or loss

As at 1 July 2014 all AFSFA were reclassified as financial assets at fair value through profit or loss. All gains or losses arising from changes in the fair value are recognised through to the Profit or Loss.

Details regarding critical accounting estimates and assumptions about financial risk management made by management at reporting date are disclosed in Note 19(b)(iii).

Ozcare Limited (Ozcare)

Pursuant to the settlement reached between the Society and Ozcare on 20 September 2011, the Society became the sole member of Ozcare. As part of the Ozcare settlement, the Society has undertaken to the Supreme Court of Queensland not to exercise any rights as the sole member of Ozcare prior to 1 September 2016. This is part of a structured transition period that forms part of the Court order. During the transition period, the Society has an entitlement to appoint directors progressively until it assumes full control of Ozcare, as sole member, on 1 September 2016. Taking into account the requirements of the Australian Accounting Standards and the restrictions placed on the Society's rights as the sole member of Ozcare up until 1 September 2016, the Society conducts ongoing reviews to determine when it would be appropriate to consolidate the results and financial position of Ozcare into the financial statements of the Society. The financial results of Ozcare for the year ended 30 June 2015 (and 30 June 2014) have not been reported in the financial statements of the Society on a consolidated basis.

(q) Comparative figures

Where necessary,comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 2: REVENUE

	Note	2015 $	2014 $
Revenue:			
Shop revenue		26,709,545	24,048,864
Donations			
- General		4,450,082	4,289,395
- Disaster Appeal		356,554	15,916
- Special Appeal		457,442	790,960
		5,264,078	5,096,271
Bequests		2,216,823	2,098,183
Government Funding			
- General		17,516,695	14,293,422
- Capital Funding		772,913	853,638
		18,289,608	15,147,060
Interest received			
- Cash and cash equivalents		298,097	303,465
- Financial Assets		355,432	397,406
		653,529	700,871
Dividends received- Available for Sale Financial Assets		635,540	600,644
Contributions for Service		4,154,254	4,202,673
Insurance Recovery		513,212	341,248
Other Revenue		639,754	1,124,399
Other Income			
- Gain/ (Loss) on sale of property, plant and equipment		343,737	266,813
- Gain/ (Loss) on sale of Available for Sale Financial Assets		–	377,206
- Gain/Loss of financial assets at fair value through Profit & Loss		898,471	–
		60,318,551	54,004,232

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 3: EXPENSES REQUIRING DISCLOSURE

The following expenses are disclosed because they are significant in nature or are required by the Australian Accounting Standards.

	Note	2015 $	2014 $
The surplus for the year includes the following specific expenses:			
Depreciation of property,plant and equipment		3,468,885	3,202,348
Impairment of available for sale financial assets		–	670,866
Disaster expenses		436,031	332,192
Write off of fixed assets		253,879	197,773
Rental expense on operating leases			
- Minimum lease payments		4,261,052	3,429,538
Employee benefits		20,370,146	19,317,924
Defined contribution superannuation expense		1,808,769	1,645,248
Legal claim expense - CDO	13	41,329	1,000,000
Finance costs (interest)	13	426,090	621,878

An expense was taken up in the June 2014 period for a requested refund of Federation CDO's issued to the Society in 2009 of $1,000,000. The liquidators of Lehman Brothers Australia is also seeking interest of 9% p.a. on these funds. As such Finance Costs (interest) of $128,281 (2014: $425,345) has been taken up. Refer Note 13 for further details.

NOTE 4: AUDITORS' REMUNERATION

Amount paid to BDO for:		
Audit of financial report and grant financial returns	93,000	99,911
Indirect taxation services	400	7,236
Other Assurance Services	7,719	3,850
	101,119	110,997

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on Hand	48,297	53,319
Cash at Bank	4,392,850	11,931,829
Term Deposits	1,217,272	5,297,830
	5,658,419	17,282,978

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 6: TRADE AND OTHER RECEIVABLES

	Note	2015 $	2014 $
Trade and Other Receivables		1,407,174	1,020,691
GST receivable		531,502	175,855
		1,938,676	1,196,546

NOTE 7: INVENTORIES

Stock on Hand		124,080	124,103
		124,080	124,103

NOTE 8: OTHER ASSETS

Current			
Prepayments		420,930	325,109
Accrued Income	(a)	352,773	245,432
		773,703	570,541
Non-Current			
Loan Receivable	(b)	100,000	100,000
		100,000	100,000

(a) Accrued franking credits for 2014 and 2015 of $352,773 (2014: $245,432).

(b) A No-interest loan was made to St Vincent de Paul Society Tasmania for $100,000 in February 2014, repayable in 10 years. This 2014 comparative has been reclassified from current to non-current in these 2015 financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	Note	2015 $	2014 $
Land and Buildings			
At Cost		75,396,825	68,772,171
Less accumulated depreciation		(8,489,124)	(7,085,968)
		66,907,701	61,686,203
Leasehold Improvements			
At Cost		1,466,994	1,312,839
Less accumulated depreciation		(679,828)	(536,816)
		787,166	776,023
Motor Vehicles			
At Cost		5,408,498	5,049,780
Less accumulated depreciation		(2,191,994)	(2,129,045)
		3,216,504	2,920,735
Furniture & Fittings			
At Cost		3,873,922	3,545,836
Less accumulated depreciation		(2,567,772)	(2,264,712)
		1,306,150	1,281,124
Computer Equipment			
At Cost		3,269,536	2,862,316
Less accumulated depreciation		(2,661,318)	(2,185,767)
		608,218	676,549
Office Equipment			
At Cost		1,540,726	1,446,617
Less accumulated depreciation		(1,269,915)	(1,134,353)
		270,811	312,264
Work in Progress			
At Cost		3,072,835	1,440,396
		3,072,835	1,440,396
Make Good Leased Premises			
At Cost		555,409	419,600
Less accumulated depreciation		(542,906)	(382,290)
		12,503	37,310
		76,181,888	**69,130,604**

NOTE 9: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Note	2015 $	2014 $
Reconciliations			

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Note	2015 $	2014 $
Land & Buildings			
Carrying amount at the beginning of the financial year		61,686,203	60,071,184
Additions		4,352,261	1,465,925
Disposals		(78,429)	(119,385)
Transfers		2,351,469	1,614,172
Depreciation		(1,403,803)	(1,345,693)
Carrying amount at the end of the financial year		66,907,701	61,686,203
Leasehold Improvements			
Carrying amount at the beginning of the financial year		776,023	596,101
Additions		170,678	313,505
Disposals		(10,213)	(5,664)
Transfers		(443)	–
Depreciation		(148,879)	(127,919)
Carrying amount at the end of the financial year		787,166	776,023
Motor Vehicles			
Carrying amount at the beginning of the financial year		2,920,735	2,596,870
Additions		3,844,771	3,376,141
Disposals		(2,708,597)	(2,262,910)
Transfers		(492)	–
Depreciation		(839,913)	(789,366)
Carrying amount at the end of the financial year		3,216,504	2,920,735
Furniture & Fittings			
Carrying amount at the beginning of the financial year		1,281,124	1,373,617
Additions		374,664	208,172
Disposals		(27,503)	(3,820)
Transfers		(2,976)	29,318
Depreciation		(319,159)	(326,163)
Carrying amount at the end of the financial year		1,306,150	1,281,124

NOTE 9: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Note	2015 $	2014 $
Reconciliations (continued)			
Computer Equipment			
Carrying amount at the beginning of the financial year		676,549	758,379
Additions		304,186	312,557
Disposals		(6,552)	(453)
Transfers		86,918	57,918
Depreciation		(452,883)	(451,852)
Carrying amount at the end of the financial year		608,218	676,549
Office Equipment			
Carrying amount at the beginning of the financial year		312,264	353,461
Additions		106,563	117,378
Disposals		(6,750)	(8,942)
Transfers		2,366	(4,621)
Depreciation		(143,632)	(145,012)
Carrying amount at the end of the financial year		270,811	312,264
Work in Progress			
Carrying amount at the beginning of the financial year		1,440,396	561,564
Additions		4,069,281	2,575,619
Transfers		(2,436,842)	(1,696,787)
Carrying amount at the end of the financial year		3,072,835	1,440,396
Make Good Leased Premises			
Carrying amount at the beginning of the financial year		37,310	22,653
Additions		170,009	36,000
Disposals		(34,200)	(5,000)
Depreciation		(160,616)	(16,343)
Carrying amount at the end of the financial year		12,503	37,310

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 9: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Note	2015 $	2014 $
Reconciliations (continued)			
Total Property, Plant & Equipment			
Carrying amount at the beginning of the financial year		69,130,604	66,333,829
Additions (excluding make good leased premises)		13,392,413	8,405,297
Movement in make good leased premises (non-cash)		(34,200)	(5,000)
Disposals		(2,838,044)	(2,401,174)
Depreciation	3	(3,468,885)	(3,202,348)
Carrying amount at the end of the financial year		76,181,888	69,130,604

NOTE 10: FINANCIAL ASSETS

(a) Investments At Fair Value

	2015 $	2014 $
(i) Listed Investments		
- Australian Equities	10,286,770	6,598,888
- International Equities	3,414,415	1,601,777
- Interest Rate Notes	4,602,877	3,858,712
- Preference Shares	1,495,515	500,000
(ii) Unlisted Investments		
- Property	501,574	–
- Interest Rate Notes	3,500,975	100,000
	23,802,126	12,659,377

(b) Return on Available for Sale Financial Assets

	2015 $	2014 $
Recognised in surplus for the year:		
- Interest Received	–	245,639
- Dividends Received	–	600,644
- Gain/(Loss) on Sale	–	377,206
- Reclassification adjustment on impairment of available for sale financial assets	–	(3,058)
	–	1,220,431

NOTE 10: FINANCIAL ASSETS (CONTINUED)

	Note	2015 $	2014 $

(b) Return on Available for Sale Financial Assets (continued)

	Note	2015 $	2014 $
Recognised in other comprehensive income:			
Reclassification adjustment on sale of available for sale financial assets		–	(366,112)
Reclassification adjustment on impairment of available for sale financial assets		–	3,058
Net changes in fair value of available for sale financial assets		–	1,437,473
		–	1,074,419
Return recognised in total comprehensive income		–	2,294,850

(c) Return on Financial assets at fair value through profit or loss.

	2015 $	2014 $
Recognised in surplus for the year:		
- Interest Received	355,432	–
- Dividends Received	635,540	–
- Fair Value adjustment through to Profit or Loss	898,471	–
	1,889,443	–

(d) Reconciliation of Financial Assets

Reconciliations of the carrying amounts of each class of financial asset at the beginning and end of the current financial year are set out below:

(i) Listed investments

	2015 $	2014 $
Australian Equities		
Carrying amount at the beginning of the financial year	6,598,888	7,755,116
Net transactions	3,616,567	(2,159,551)
Net revaluation increase/(decrease)	71,315	1,003,323
Carrying amount at the end of the financial year	10,286,770	6,598,888
International Equities		
Carrying amount at the beginning of the financial year	1,601,777	386,500
Net transactions	1,183,051	1,076,888
Net revaluation increase/(decrease)	629,587	138,389
Carrying amount at the end of the financial year	3,414,415	1,601,777

NOTE 10: FINANCIAL ASSETS (CONTINUED)

(d) Reconciliation of Financial Assets (continued)

	Note	2015 $	2014 $
Listed Interest rate notes			
Carrying amount at the beginning of the financial year		3,858,712	2,620,668
Net transactions		409,603	1,007,182
Net revaluation increase/(decrease)		334,562	230,862
Carrying amount at the end of the financial year		4,602,877	3,858,712
Preference Shares			
Carrying amount at the beginning of the financial year		500,000	1,210,972
Net transactions		1,047,050	(725,872)
Net revaluation increase/(decrease)		(51,535)	14,900
Carrying amount at the end of the financial year		1,495,515	500,000
(ii) Unlisted Investments			
Unlisted Property			
Carrying amount at the beginning of the financial year		–	–
Net transactions		595,222	–
Net revaluation increase/(decrease)		(93,648)	–
Carrying amount at the end of the financial year		501,574	–
Unlisted Interest Rate Notes			
Carrying amount at the beginning of the financial year		100,000	50,000
Net transactions		3,391,985	–
Net revaluation increase/(decrease)		8,990	50,000
Carrying amount at the end of the financial year		3,500,975	100,000
Summary			
Carrying amount at the beginning of the financial year		12,659,377	12,023,256
Net transactions		10,243,478	(801,353)
Net revaluation increase/(decrease)		899,271	1,437,474
Carrying amount at the end of the financial year		23,802,126	12,659,377

Net transactions relate to the net acquisitions and disposals of financial assets during the period.

NOTE 10: FINANCIAL ASSETS (CONTINUED)

(e) Fair value measurement

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Available-for-sale financial assets

  These assets were all at Level 1 in the fair value hierarchy. For Level 1 the fair value was based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Financial Assets at fair value through to profit or loss

  These assets are all at Level 1 in the fair value hierarchy. For Level 1 the fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

	Note	2015 $	2014 $

NOTE 11: TRADE AND OTHER PAYABLES

Trade and Other Creditors		2,104,978	2,006,098
		2,104,978	2,006,098

NOTE 12: INTEREST BEARING LIABILITIES

Current			
Interest bearing liabilities		708,478	469,902
		708,478	469,902
Non- current			
Interest bearing liabilities		6,876,125	4,132,293
		6,876,125	4,132,293

The carrying amounts of non-current assets pledged as security are:

Freehold Land and Buildings		11,670,000	8,355,000

The Society has approved facility limits with the Archdiocesan Development Fund of $8,364,603 (2014: $5,296,939). The drawn down amount as at 30 June 2015 was $7,584,603 (2014: $4,602,195) with $780,000 undrawn (2014: $694,744).

Collateral provided:

The debt is secured by a first mortgage, held by the Archdiocesan Development Fund, over certain freehold properties owned by the Society. A covenant has been imposed requiring all operating funds that are surplus to the Society's normal day to day requirements, are to be placed on deposit with the Archdiocesan Development Fund. There has been no breach of this convenant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 13: PROVISIONS

	Note	2015 $	2014 $
Current			
Provision for Legal Matters		1,553,623	1,425,342
Employee Entitlements - Annual Leave		1,647,879	1,346,009
Employee Entitlements - Long Service Leave		835,186	734,658
		4,036,688	3,506,009

A provision has been taken up for a requested refund of Federation CDO's issued to the Society in 2009. Liquidators for Lehman Australia are seeking the return of these funds on the grounds that these funds were unlawfully distributed. They are also seeking Interest of 9% p.a. on these funds.

This asset was redeemed in 2010 against impairment in the P&L of $1,000,000. The Society is following due process regarding the requirement to repay the funds, but have taken up a provision of $1,553,623 (2014: $1,425,342) to provide for the likelihood that it is repayable.

		2015 $	2014 $
Non- current			
Make Good Leased Premises		555,409	419,600
Employee Entitlements - Long Service Leave		761,421	665,801
		1,316,830	1,085,401

NOTE 14: GRANTS IN ADVANCE

		2015 $	2014 $
Current			
Grants in advance - Operational		232,865	1,693,833
Grants in advance - Capital		769,780	724,471
		1,002,645	2,418,304
Non- current			
Grants in advance - Capital		20,443,556	21,157,285
		20,443,556	21,157,285

NOTE 15: EQUITY

	Note	2015 $	2014 $
Property Revaluation Reserve		7,941,911	7,941,911
AFSFA fair value reserve		–	1,329,700
Total Reserves		7,941,911	9,271,611
Accumulated Funds		64,147,681	57,017,246
		72,089,592	66,288,857

Property Revaluation Reserve

The property revaluation reserve records increments and decrements on the revaluation of individual parcels of land and buildings when revaluations have been performed previously. When individual parcels of land and buildings are sold, any balance in the revaluation reserve pertaining to those land and buildings is transferred to accumulated funds. Transfers for land and buildings sold during the year amounted to $NIL (2014: $NIL).

Available for Sale Financial Assets Fair Value Reserve

Represents the accumulated net change in the fair value of available for sale financial assets until the investment is sold or impaired.

When an available for sale financial asset is sold or impaired, any balance in the reserve pertaining to that investment was transferred to the profit or loss. The net gain transferred from the reserve to the profit or loss on the disposal of investments during the year was $NIL (2014: $366,112). The net loss transferred from the reserve to profit or loss on impairment of investments was $NIL (2014 $3,058).

The Society determined as at 1st July 2014 that the method of investment management had changed the nature of the Investments held from Available for Sale Financial Assets (AFSFA) to Financial Assets at fair value through profit or loss. The Society moved to early adopt AASB 9 to facilitate the accurate reporting of the investment portfolio. As such the portfolio is classified as Financial Assets at Fair Value through Profit and Loss (FVTPL) and all changes in fair value are now recognised in profit or loss. As part of the adoption all values held in the AFSFA fair value reserve as at 1st July 2014 was transferred to Accumulated funds.

NOTE 16: CONTINGENT ASSETS & CONTINGENT LIABILITIES

(a) Contingent Assets/Liability

There are legal proceedings in place relating to the default of the Collateralized Debt Obligations (CDOs) held. The potential total financial effects of these proceedings on the Society is yet to be determined but any estimateable amounts have been taken to account in the receivables and provisions. Refer Note 13 for further details.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 17: COMMITMENTS

	Note	2015 $	2014 $
Operating lease commitments payable			
Future minimum lease payments due on non-cancellable property operating leases			
Property- Operating Leases			
Not later than one year		2,848,778	2,663,220
Later than one year but not later than 5 years		3,327,406	4,029,022
		6,176,184	6,692,242

Capital Commitments

Refer Note 20 for details.

NOTE 18: NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2015 $	2014 $
Cash on Hand	5	48,297	53,319
Cash at Bank	5	4,392,850	11,931,829
Term Deposits	5	1,217,272	5,297,830
		5,658,419	17,282,978

NOTE 18: NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of cash flow from operations with the net surplus

	Note	2015 $	2014 $
Net Surplus		5,800,735	3,510,526
Non-cash flows in operating surplus			
Depreciation	3, 9	3,468,885	3,202,348
Net loss/ (gain) on sale of fixed assets	2, 3	(89,858)	(69,040)
Net loss/ (gain) on sale of available for sale financial assets		(1,409,080)	(377,206)
Reclassification adjustment on impairment of available for sale financial assets	3	–	3,058
Other non-cash		(7,530)	266,952
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		849,471	(197,085)
(Increase)/decrease in other assets		(95,821)	203,074
(Increase)/decrease in inventories		(21)	6,002
Increase/(decrease) in trade and other payables		(2,030,508)	1,815,859
Increase/(decrease) in provisions		(498,018)	(393,493)
Cash flows from operations		5,988,255	7,970,995

NOTE 19: FINANCIAL RISK MANAGEMENT

(a) General Objectives, Policies And Processes

This note describes the Society's objectives, policies and processes for managing the risks arising from the use of financial instruments and the methods used to measure them.

There have been no substantive changes in the Society's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises:

- Cash and cash equivalents;
- Trade and other receivables;
- Trade and other payables;
- Interest bearing liabilities;
- Available for sale financial assets; and
- Financial assets at Fair Value through profit and loss

The State Council has overall responsibility for the determination of the Society's risk management objectives and policies.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligations resulting in the Society incurring a financial loss. This usually occurs when debtors or counter parties to contracts fail to settle their obligations owing to the Society.

The maximum exposure to credit risk at balance date, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets as indicated in the Statement of Financial Position and is as follows:

	Note	2015 $	2014 $
Cash and cash equivalents	5	5,658,419	17,282,978
Trade and other receivables	6	1,938,676	1,196,546
Available for sale financial assets	10	–	12,659,377
Financial assets at fair value through profit or loss	10	23,802,126	–
		31,399,221	31,138,901

(i) Cash and cash equivalents

Cash and cash equivalents are deposited with the Commonwealth, Westpac, ANZ, National Australia and Macquarie Banks, various Queensland Catholic Development Funds and various small financial institutions throughout regional Queensland.

(ii) Trade and other receivables

Within trade and other receivables the federal and state governments are the largest debtors through GST and government funding receivables. The Society's no interest loans scheme has outstanding receivables of $442,361 (2014: $416,551). Credit risk associated with trade and other receivables is monitored by the monthly review of trade debtor listings.

(iii) Available for sale financial assets and financial assets at fair value through to profit or loss.

The Society's available for sale financial assets (2014) and financial assets at fair value through to profit or loss (2015) are disclosed in Note 10. No one investment product is greater than 6% of the portfolio at the time of investing. Investments are diversified and are exposed to defensive and growth assets.

Listed interest rate securities consists primarily of Australian hybrid securities such as convertible notes and types of preference shares that provide a return based on quoted interest rates.

The Finance Committee has been formed to manage the risk and return of the Society's financial assets in line with the National Investment Policy.

Up to 30 June 2015 the Finance Committee employed independent advisors, who manage the Society's investments in line with State Council's approved investment policy which adheres to the National Investment Policy. They have reported monthly to management and quarterly to the Finance Committee.

Risk is managed by monthly reviews of investment holdings, policy compliance, economic updates and reviewing the long term cash needs of the Society. The committee monitors the quality of investments taking into consideration areas such as credit ratings, returns and investment objectives.

All CDOs have been either matured or been impaired as at 30 June 2015. Litigation action has been pursued with Lehmans Brothers Australia and an initial claim has been accepted by the liquidators.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market Risk

The Society does not have any material exposure to market risk other than interest rate risk and price risk.

The policies and procedures for managing price risk are similar to those for managing credit risk as detailed in Note 19(b)

(i) Interest Rate Risk

Interest rate risk arises from the use of interest bearing financial instruments. It is the risk that fair value for future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Society monitors its interest rate exposure continuously. Total financial assets that earned interest at a floating rate is $13,672,271 as at 30 June 2015 (2014: $22,767,713). Total financial liabilities that are charged interest at a floating rate are $7,584,603 as at 30 June 2015 (2014: $4,602,195).

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

The purchase of 91-95 Cunningham Street Dalby was made to replace the current shop and accommodate a separate support centre for the Toowoomba Diocesan Central Council. The contract was signed prior to 30 June 2015 and was settled 17th July 2015 for $1,040,000. A further $100,000 is envisaged to be spent preparing it for opening.

NOTE 21: ORGANISATION DETAILS

The registered office of the Incorporated Organisation is:

St Vincent de Paul Society Queensland
10 Merivale Street
South Brisbane Qld 4101

NOTE 22: RELATED PARTY TRANSACTIONS

The names of persons who were State Councillors of St Vincent de Paul Society Queensland at any time during the financial year are as follows:

John Forrest	Dennis Innes
Ron Sullivan	Brian Headford
Robert Leach	Neil Dwyer (retired July 2014)
Joe De Pasquale	Mike Ryan (appointed July 2014)
Peter Driver	Annette Baker
June Chandler	Ian Laherty
Catherine Lutvey	Noel Sweeney
John Harrison	John Elich

No State Councillor has entered into a material contract with St Vincent de Paul Society Queensland since the end of the previous financial year and there were no material contracts involving State Councillors' interests subsisting at year end. State Councillors may have family members or relatives who utilise the services that St Vincent de Paul Society Queensland provides. Such transactions are conducted at arms length.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

NOTE 22: RELATED PARTY TRANSACTIONS (CONTINUED)

Other key management personnel were:

Peter Maher *Chief Exectutive Officer*

Anna Aubrey *General Manager - Operations*

Deborah Nisbet *Chief Financial Officer*

Joe Duskovic *Corporate Secretary & Legal Services Manager*

Kirstin Hinchliffe *Human Resource Manager (maternity leave February 2015)*

Sharon Shearsmith *State Manager, Housing & Home and Community Care & Acting HR Manager (February 2015)*

Carolyn Sauvage *State Liaison Manager*

Raylton Snell *State Child & Family / Disability Service Manager*

Jackie Youngblutt *Acting State Housing Manager February 2015*

Maree Fell *Executive Officer, FNQ (Cairns) Diocese*

Doug Maynard *Executive Officer, Rockhampton Diocese*

Kathie Brosnan *Executive Officer, Toowoomba Diocese*

Ray O'Donnell *Executive Officer, Brisbane South/City Diocese*

Jody Tunnicliffe *Executive Officer, Northern Diocesan Central Council*

Roberta Jays *Executive Officer, Western Brisbane Diocesan Council*

Cassandra Ashton *Executive Officer, South Coast Diocese*

Jenny Manganaro *Executive Offocer Townsville Diocese*

State Councillors do not receive any direct remuneration, however a reportable fringe benefit does exist on motor vehicle usage and is included in the figure below.

Key management personnel remuneration includes reportable fringe benefits on motor vehicles supplied.

	Note	2015 $	2014 $
Remuneration including reportable fringe benefits on motor vehicles		2,755,849	2,134,712

The bands of remuneration (including reportable fringe benefits) are as follows:

$0-40k	17	11
$40-80k	0	0
$80-120k	1	0
$120-160k	9	12
$160k and above	7	2

Included in the surplus for the year is net intra-society payments of $668,592 (2014: $963,639).

Intra-society payments and receipts are payments made to and funds received from the Society of St Vincent de Paul outside Queensland.

The net intra-society payments is made up of intra-society payments of $671,092 (2014: $963,639) to the National Council of St Vincent de Paul Society, including payments for special projects of $264,078 (2014: $315,016) and levies of $407,014 (2014: $462,373). Receipts of $2,500 (2014: $NIL) have been received from State Councils of St Vincent de Paul Society throughout Australia for natural disasters in Queensland.

YOU CAN RESTORE HOPE FOR PEOPLE WHO HAVE LITTLE ELSE

Make a financial donation

The Society's major lifeline has been the generous financial assistance our loyal donors have given over the years. This support assists the many activities undertaken by the Society. Donations can be directed to a specific special work or general works. You can make a secure donation online or by calling 13 18 12.

Join Helping Hands

The 'Helping Hands' program allows donors to make a periodical commitment to the work of the Society and receive only one tax-deductible receipt each year.

Membership and volunteer

Become a member of a conference or volunteer your time to assist people in need in your community.

Workplace giving

Individuals or groups of employees can take part in this program by donating a small amount each fortnight, which is deducted from employee's salaries by their payroll department, and then forwarded to the Society.

Corporate collaboration

If you are a business looking to partner with a charity, you can contact the State Administration Office to discuss ways in which your company can support one of Australia's largest and most respected charitable organisations.

Donating goods

Donations of quality second hand clothing, furniture and household goods can be made at any Centre of Charity, or collected by contacting your local Vinnies Donation line.

Gifts in wills

You can support those in need by making a bequest to the Society in your Will. Through remembering the Society in your Will, you will ensure your legacy lives on through the assistance your generosity provides.

Be a part of our online community at
www.facebook.com/vinniesqld
www.vinnies.org.au

To discuss any of these opportunities to support Vinnies Queensland and help us to provide hope to those who need it most, please call the State Administration Office on (07) 3010 1000 or visit www.vinnies.org.au/qld.

St Vincent de Paul Society
QUEENSLAND
good works