FINANCIAL STATEMENTS 2018/19

St Vincent de Paul Society
(NT) Inc.
good works

STATEMENT BY NORTHERN TERRITORY COUNCIL

Statement by Northern Territory Council

The members of the Northern Territory 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 2019 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 Northern Territory Council.

Fay Gurr
Northern Territory President
Darwin
1 October 2019

Emil John
Northern Territory Treasurer
Darwin
1 October 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of St Vincent de Paul Society Northern Territory Incorporated

Opinion

We have audited the financial report of St Vincent de Paul Society Northern Territory Incorporated ('the Association'), which comprises the statement of financial position as at 30 June 2019, 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 statement by council.

In our opinion the accompanying financial report of the Association, 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 Association's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *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* (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 information

The councillors of the Association are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Association's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Councillors for the Financial Report

The councillors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the councillors 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, councillors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the councillors either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The councillors are responsible for overseeing the Association'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

BDO Audit (NT)

C Taziwa
Audit Partner

Darwin: 8 October 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

	2019			2018		
	$			$		
	Revenue	**Operating Expenses**	**Net surplus / (deficit)**	**Revenue**	**Operating Expenses**	**Net surplus / (deficit)**
Community Services						
Homelessness	2,284,926	1,732,095	552,831	2,042,829	1,577,879	464,950
Help for People in Crisis	58,533	407,434	(348,901)	914,323	798,338	115,985
Migrants, Refugees & Overseas	1,120	5,830	(4,710)	1,620	2,670	(1,050)
Youth	-	1,035	(1,035)	100	2,535	(2,435)
Community Care & Health	706,542	684,974	21,568	535,716	536,913	(1,197)
	3,051,121	2,831,368	219,753	3,494,588	2,918,335	576,253
Supporting Services						
Administration	6,066	15,146	(9,080)	13,987	72,920	(58,933)
Operations	266,143	399,906	(133,763)	396,891	177,804	219,087
Retail	1,886,277	1,429,765	456,512	1,572,489	1,021,019	551,470
Warehouse	44,934	348,878	(303,944)	70,643	299,514	(228,871)
	2,203,420	2,193,695	9,725	2,054,010	1,571,257	482,753
	5,254,541	5,025,063	229,478	5,548,599	4,489,592	1,059,006
Total Surplus			229,478			1,059,006

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

	Note	2019	2018
		$	$
Total Surplus brought forward	2,3	229,478	1,059,006
Other comprehensive income for the year		-	-
Total comprehensive income for the year		229,478	1,059,006

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

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	5	3,564,375	3,822,799
Trade and other receivables	6	16,828	34,741
Inventories	7	-	96
Other assets	8	15,810	25,252
Assets held for sale	9	-	131,250
Total current assets		3,597,013	4,014,138
Non-current assets			
Property, plant and equipment	9	17,934,684	17,292,345
Other Assets		-	-
Total non-current assets		17,934,684	17,292,345
Total assets		21,531,697	21,306,483
Current liabilities			
Trade and other payables	11	329,821	271,757
Current Provision	13	163,898	146,725
Borrowings	12	181,310	148,526
Grants in Advance	14	2,163,935	2,101,726
Total current liabilities		2,838,964	2,668,734
Non-current liabilities			
Borrowings	12	1,568,038	1,579,386
Provisions	13	62,002	48,526
Grants in advance	14	3,679,607	3,856,229
Total non-current liabilities		5,309,647	5,484,141
Total liabilities		8,148,611	8,152,875
Net assets/(liabilities)		13,383,086	13,153,608
Equity			
Reserves	15	3,307,508	3,407,508
Accumulated funds	15	10,075,578	9,746,100
Total equity		13,383,086	13,153,608

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Note	Reserves			Accumulated Funds	Operating Expenses
		Asset Revaluation Reserve	Capital Reserve	Special Reserve	Accumulated Surplus	Total Accumulated Funds
Balance at 30 June 2017		3,257,965	-	149,543	8,687,094	12,094,602
Total comprehensive income for the period						
Net surplus for the period 30 June 2018		-	-	-	1,059,006	1,059,006
Total comprehensive income for the period		-	-	-	1,059,006	1,059,006
- Reclassification adjustment		-	-	-	-	-
Balance at 30 June 2018		3,257,965	-	149,543	9,746,100	13,153,608
Total comprehensive income for the period						
Net surplus for the period 30 June 2019		-	-	-	229,478	229,478
Total comprehensive income for the period		-	-	-	229,478	229,478
- Reclassification adjustment		(100,000)	-	-	100,000	-
Balance at 30 June 2019	15	3,157,965	-	149,543	10,075,578	13,383,086

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from Operating Activities			
Receipts from operating activities		5,334,281	5,950,938
Payments to suppliers and employees		(4,387,892)	(4,362,636)
Interest received		74,696	72,200
Interest paid		(76,341)	(40,363)
Net cash provided by operating activities	18(b)	944,744	1,620,139
Cash flows from Investing Activities			
Proceeds - sale of property, plant and equipment		376,293	239,686
Payment for property, plant and equipment		(1,524,557)	(4,305,542)
Net cash used in investing activities		(1,148,264)	(4,065,856)
Cash flows from Financing Activities			
Repayment of borrowings		(224,904)	(112,453)
Proceeds from borrowings		170,000	1,800,000
Net cash provided by financing activities		(54,904)	1,687,547
Net increase/(decrease) in cash		(258,424)	(758,170)
Cash and cash equivalents at the beginning of the financial year		3,822,799	4,580,969
Cash and cash equivalents at the end of the financial year	18(a)	3,564,375	3,822,799

About this report

Corporate information

The St Vincent de Paul Society (NT) (the Society) is a non-government charitable organisation. The financial report covers the economic activities of the Society in the Northern Territory. The Society is incorporated and domiciled in Australia.

The Society 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 29 September 2019 by the Territory Council.

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

Organisation Details

The registered office of the Incorporated Organisation is:

St Vincent de Paul Society (NT)
Incorporated
3 Bradshaw Terrace
Casuarina NT 0810

Note 1: General Accounting Policies

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-profits entities contained only within Australian Accounting Standards the financial report and notes thereto are not necessarily compliant with all International Financial Reporting Standards.

New Accounting standards and Impact on Accounting Policies

The society has adopted AASB 9 Financial Instruments at 1 July 2018 (applicable for reporting periods commencing from 1 January 2018). AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. There have been no significant changes to the Society's financial performance and position as a result of the adoption of the new and other amended accounting standards and interpretations effective for reporting periods beginning on or after 1 January 2018.

New accounting standards and interpretations that are not mandatory for the reporting period have not been early adopted.

AASB 9 Financial Instruments

The nature and effect of the key changes to the Society's accounting policies resulting from the adoption of AASB 9 are summarised below.

i. Classification and measurement of financial assets and financial liabilities
   The adoption of AASB 9 has not impacted the carrying value of financial assets but has resulted in classification changes on initial application at 1 July 2018 whereby trade receivables, other receivables and other assets are to be classified under AASB 9 as financial assets at amortised cost. The society holds these financial assets in order to collect contractual cash flows, and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding.
   AASB 9 requires that all financial liabilities to be subsequently classified at amortised cost or at fair value through profit or loss. The application of AASB 9 has not resulted in any change to the classification of payables and borrowings on adoption.

ii. Impairment of financials assets
   AASB 9 replaces the "incurred loss" model in AASB 139 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through comprehensive income (FVOCI), but not to investments in equity instruments.
   At each reporting date, the society assesses whether financial assets carried at amortised cost are "credit-impaired". A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

AASB 9 contains three principal classification categories for financial assets:

- measured at amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised cost

Trade and other receivables are initially recognised at fair value, and subsequently at amortised cost, using the effective interest rate method less any allowance under the ECL model.

All trade and other receivables loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

Recoverability of trade and other receivables

At each reporting date, the Society assesses whether financial assets carried at amortised cost are 'credit-impaired'. A financial asset is 'credit impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred Lifetime ECLs are the ECLs that result from all possible default events over the expected life of loan and other receivables and are a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Society in accordance with the contract and the cash flows that society expects to receive).

The Society analyses the current observable data as a means to estimate lifetime ECL. The current observable data may include:

- financial difficulties of a counterparty or probability that a counterparty will default on payment or will enter bankruptcy; and
- conditions specific to the asset to which the receivable relates.

Debts that are known to be uncollectable are provided for or written off when identified.

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 2019. They have not been adopted in preparing the financial statements for the year ended 30 June 2019 and may impact the group in the period of initial application. In all cases the group intends to apply these standards from application date as indicated below.

AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019)

The new revenue recognition standard, AASB 15 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 full effect on the financial statements on implementation of the Standard. We have identified the impact to past revenue received in prior years of $3,856,229 currently sitting in Current and Non-current Liabilities Capital Grants in Advance, may well need to be moved to accummulated funds when adopting this standard.

AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments.

The Society is currently undertaking a detailed assessment of the impact of AASB 16. Based on the entity's preliminary assessment, the first time adoption of the Standard for the year ending 30 June 2020 will affect primarily the accounting for the society's operating leases for commercial property, as our car leases are not caught by this standard. As at the reporting date, the society has non-cancellable operating lease commitments of $350,432 see note 17(a). However, the society has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Society's surplus and classification of cash flows.

Note 1: Summary Of Significant Accounting Policies (continued)

(a) Basis Of Preparation (continued)

AASB 1058 Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

AASB 1058 establishes principles and guidance when accounting for:

- transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a NFP to further its objectives; and
- the receipt of volunteer services.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

Although the councillors anticipate that the adoption of AASB 1058 may have an impact on the Society's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact both on Income and Expenditure due to the size of the Society's volunteer base, though little impact is anticipated on net surplus.

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.

Key judgements and estimates

In the process of applying the Society's accounting policies, management has made a number of judgements and applied estimates for future events. Judgements and estimates which are material to the financial report are found in the following notes:

Note	Description	Page No.
Note 9	Property Plant & Equipment	17
Note 13	Provisions	23
Note 15	Equity	25
Note 17	Commitments	26

Fair Values of Assets and Liabilities

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

Income tax and Fringe benefit tax

The members of the Society are not subject to Income Tax. They are entitled to a partial exemption from fringe benefits tax.

Inventory

Purchased inventories are valued at the lower of cost and current replacement cost.

Any second hand household donations received by the Society and sold through our retail shops are not valued.

Comparative figures

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

Note 2: Revenue

	Note	2019 $	2018 $
Revenue:			
Shop Revenue		1,886,275	1,564,743
Donations		87,034	133,147
Bequests		610	
Government Funding			
- Recurring Funding		2,135,520	2,193,004
- Capital Funding		292,344	503,628
		2,427,864	2,696.632
Interest received			
- Cash and cash equivalents		74,696	72,200
Contributions for Service		853,434	706,860
Placement Fee		16,598	54,826
Revenue		5,346,511	5,228,408
Other Income			
- Gain/(Loss) on sale of property and place and equipment		(112,138)	74,400
- Other revenue		20,168	45,790
- Grants from National Council		-	200,000
		5,254,541	5,548,598

Note 2: Revenue (continued)

Accounting Policy

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:

Goods and Services Tax

Revenues are recognised net of the amount of GST. GST received during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities.

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.

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.

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.

Interest revenue

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

Client contributions

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

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.

Note 3: Operating Expenses

	Note	2019 $	2018 $
Specific required disclosures are:			
Depreciation of property, plant and equipment	9(a)	506,982	457,446
Material Assistance Provided		393,962	357,434
Services Provided		336,020	253,742
Rental expense on operating leases			
- Minimum lease payments		156,236	136,555
Other property costs		747,974	685,185
Employee benefits		1,978,372	1,829,032
Defined contribution superannuation expense		160,245	144,177
Finance costs		76,448	42,524

Accounting Policy

Goods and Services Tax

Expenses are recognised net of the amount of GST. GST paid during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in payments to suppliers.

Note 4: Auditor' Remuneration

Amount paid to BDO for:		
Audit of financial report and grant financial returns	28,300	28,300
Indirect taxation services	-	-
Other Assurance	-	-
	28,300	28,300

Note 5: Cash and Cash Equivalents

Cash on Hand	4,064	3,638
Cash on Bank	3,560,311	3,819,161
	3,564,375	3,822,799

Accounting Policy

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.

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.

Note 6: Trade and Other Receivables

Trade and other receivables	16,828	8,467
GST receivable	-	26,274
	16,828	34,741

Accounting Policy

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Impairment

From 1 July 2018, for trade receivables the company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Management has determined that assessment of expected credit loss associated with trade receivables is immaterial.

Goods and Services Tax

Assets are recognised net of the amount of GST. Receivables in the Statement of Financial Position are shown inclusive of GST. GST received during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities.

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.

Note 7: Inventories

	Note	2019 $	2018 $
Stock on Hand		-	96
		-	96

Accounting Policy

Inventories are valued at the lower of cost and current replacement cost.

Note 8: Other Assets

	Note	2019 $	2018 $
Current			
Prepayments		15,810	25.252
		15,810	25,252

Accounting Policy

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.

Goods and Services Tax

Assets are recognised net of the amount of GST. GST received during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities.

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.

Note 9: Property, Plant & Equipment

	Note	2019 $	2018 $
Land and Buildings			
At Deemed Cost		17,433,327	17,510,882
Less accumulated depreciation		(1,515,868)	(1,235,845)
		15,917,459	16,275,037
Leasehold Improvements			
At Cost		797,741	667,382
Less accumulated depreciation		(512,405)	(435,534)
		285,336	231,848
Motor Vehicles			
At Cost		426,538	465,836
Less accumulated depreciation		(164,871)	(165,790)
		261,667	300,046
Office Equipment			
At Cost		488,459	413,296
Less accumulated depreciation		(251,144)	(208, 339)
		237,315	204,957
Work in Progress			
At Cost		1,230,154	280,457
		1,230,154	280,457
Make Good Leased Premises			
At Cost		3,000	-
Less accumulated depreciation		(247)	-
		2,753	-
		17,934,684	**17,292,345**

Note 9: Property, Plant & Equipment (continued)

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	2019 $	2018 $
Land and Buildings			
Carrying amount at the beginning of the financial year		16,275,036	13,387,611
Additions		17,984	3,252,265
Disposals		(76,654)	-
Transfers		-	40,712
Transfers to Assets held for sale		-	(131,250)
Less depreciation		(298,907)	(274,302)
Carrying amount at the end of the financial year		15,917,459	16,275,036
Leasehold Improvements			
Carrying amount at the beginning of the financial year		231,849	246,271
Additions		130,358	58,672
Disposals		-	(10,683)
Transfers		-	-
Less depreciation		(76,871)	(62,411)
Carrying amount at the end of the financial year		285,336	231,849
Motor Vehicles			
Carrying amount at the beginning of the financial year		300,048	204,989
Additions		280,702	311,040
Disposals		(256,505)	(154,603)
Transfers		-	-
Less depreciation		(62,578)	(61,378)
Carrying amount at the end of the financial year		261,667	300,048

Note 9: Property, Plant & Equipment (continued)

	Note	2019 $	2018 $
Office Equipment			
Carrying amount at the beginning of the financial year		204,956	101,915
Additions		139,816	162,396
Disposals		(39,078)	-
Transfers		-	-
Less depreciation		(68,379)	(59,355)
Carrying amount at the end of the financial year		237,315	204,956
Work in Progress			
Carrying amount at the beginning of the financial year		280,456	-
Additions		949,698	321,168
Disposals		-	-
Transfers		-	(40,712)
Less depreciation		-	-
Carrying amount at the end of the financial year		1,230,154	280,456
Make Good Leased Premises			
Carrying amount at the beginning of the financial year		-	-
Additions		3,000	-
Disposals		-	-
Transfers		-	-
Less depreciation		(247)	-
Carrying amount at the end of the financial year		2,753	-
Total Property, Plant & Equipment			
Carrying amount at the beginning of the financial year		17,292,345	13,940,785
Additions (excluding make good leased premises)		1,518,558	4,105,542
Movement in make good leased premises (non-cash)		3,000	-
Disposals		(372,237)	(165,286)
Transfers		-	-
Transfers to assets held for sale		-	(131,250)
Less Appreciation	2	(506,982)	(457,446)
Carrying amount at the end of the financial year		17,934,684	17,292,345

Note 9: Property, Plant & Equipment (continued)

Accounting Policy

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	*20% to 33.33%*
Motor vehicles	*15% to 20%*

Impairment

No impairment has been taken to account for the period ended 30 June 2016.

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.

Goods and Services Tax

Assets are recognised net of the amount of GST.

	Note	2019	2018
		$	$
Note 10: Assets held for sale			
Assets held for sale		-	131,250
Carrying amount at the end of the financial year		-	131,2050
Note 11: Trade and Other Payables			
Trade and Other Creditors		290,594	241,208
Clients funds held		39,227	30,549
		329,821	271,757

Accounting Policy

Trade and other payables 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.

Goods and Services Tax

Payables in the Statement of Financial Position are shown inclusive of GST. GST paid during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in payments to suppliers.

Note 12: Interest Bearing Liabilities

	Note	2019 $	2018 $
Current			
Interest bearing liabilities		181,310	148,526
		181,310	148,526
Non- current			
Interest bearing liabilities		1,568,038	1,579,386
		1,568,038	1,579,386

The carrying amounts of non-current assets pledged as security are:		
Freehold Land and Buildings	2,950,000	2,950,000

The Society has an approved loan facility with Archdiocesan Development Fund with a loan balance as at 30 June 2019 of $1,749,348 (2018: $1,727,911) and with an amount available to draw of $Nil (2018: Nil).

This facility is secured by a first mortgage, held by the Archdiocesan Development Fund, over 3 Bradshaw Terrace, Casuarina 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. The Archdiocesan Development Fund has approved that these funds may be placed on deposit with the Darwin Diocesan Development Fund. There has been no breach of this covenant.

Accounting Policy

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.

Financial Liabilities

Financial liabilities, including loans and borrowings, are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Note 13: Provisions

	Note	2019 $	2018 $
Current			
Employee Entitlements-Annual Leave		99,888	89,737
Employee Entitlements-Long Service Leave		64,010	56,988
		163,898	146,725
Non- current			
Make Good Leased Premises		3,000	-
Employee Entitlements- Long Service Leave		59,002	48,526
		62,002	48,526

Accounting Policy

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.

Employee Entitlements

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 non-current 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.

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 non-current 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.

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.

Note 14: Grants in advance

	Note	2019 $	2018 $
Current			
Grants in advance - Operational		1,987,313	1,925,105
Grants in advance - Capital		176,622	176,621
		2,163,935	2,101,726
Non- current			
Grants in advance - Capital		3,679,607	3,856,229
		3,679,607	3,856,229

Accounting Policy

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.

Note 15: Equity

	Note	2019 $	2018 $
Property Revaluation Reserve		3,157,965	3,257,965
Fair Value Reserve		149,543	149,543
Property Revaluation Reserve		3,307,508	3,407,508
Accumulated Funds		10,075,578	9,746,100
		13,383,086	13,153,608

Accounting Policy

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 $100,000 (2018: $NIL).

Note 16: Contingent Assets & Contingent Liabilities

There is currently no contingent assets or liabilities that management is aware of.

Note 17: Commitments

	Note	2019 $	2018 $
(a) Operating lease commitments payable			
Future minimum lease payments due on non-cancellable property operating leases			
Property- Operating Leases			
Not later than one year		123,000	105,378
Later than one year but not later than 5 years		227,432	284,449
		350,432	389,827
(b) Capital commitments			
Capital Expenditure Commitments			
Contracted for:			
Not later than one year		-	-
Later than one year but not later than 5 years		-	-
		-	-
Planned for:			
Not later than one year		15,000	771,565
Later than one year but not later than 5 years		-	-
		15,000	771,565
Total Capital expenditure commitments		15,000	771,565

There are no planned capital commitments for less than one year or later than one year and no later than five years in place.

Accounting Policy

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.

Note 18: Notes to the Statement of Cash Flows

	Note	2019 $	2018 $
(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	2019 $	2018 $
Cash on Hand	5	4,064	3,638
Cash at Bank	5	3,560,311	3,819,161
Balance per Statement of Cash Flows		3,564,375	3,822,799

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

	Note	2019 $	2018 $
Net Surplus		229,478	1,059,006
Non-cash flows in operating surplus			
Depreciation	9	506,982	457,446
Net (gain) on sale of fixed assets		(29,851)	(74,400)
Net loss on sale of fixed assets		141,989	-
Other non-cash items		(106,976)	377,986
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		10,318	(138,237)
(Increase)/decrease in other assets		9,689	1,843
(Increase)/decrease in inventories		96	3,429
Increase/(decrease) in trade and other payables		155,369	(90,228)
Increase/(decrease) in provisions		27,650	23,294
Cash flows from operations		944,744	1,620,139

Note 19: Financial Risk Management

General Objectives, Policies And Processes

In common with similar organisations, the Society is exposed to risks that arise from its use of financial instruments. This note describes the Society's objectives, policies and processes for managing those risks 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; and
- Interest bearing liabilities.

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

(a) 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	2019	2018
		$	$
Cash and cash equivalents	5	3,564,375	3,822,799
Trade and other receivables	6	16,828	34,741
		3,581,203	3,857,540

Cash and cash equivalents

Cash and cash equivalents are deposited with the Commonwealth Bank of Australia and the Darwin Diocesan Development Fund.

Trade and other receivables

Within trade and other receivables the federal and state governments are the largest debtors through GST and government funding receivables. Credit risk associated with trade and other receivables is monitored by the monthly review of trade debtor listings.

Note 19: Financial Risk Management (continued)

(b) Market Risk

The Society does not have any material exposure to market risks other than interest rate risks.

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

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 $3,560,311 as at 30 June 2019 (2018: $3,819,161).

Note 20: Events Subsequent To Reporting Date

(a) There has been no events subsequent to balance date that would have a material impact on the financial report.
(b) Current & Future Capital Commitments:

Future Capital Commitments for Capital works and acquisition in the next 12 months is estimated at $15,000 (2018: $771,565).

Note 21: Related party transactions

The names of persons who were Territory Councillors of St Vincent de Paul Society (NT) Incorporated at any time during the financial year are as follows:

For the Period:	During Period:
Fay Gurr	Jade Garrard (resigned 2 March 2019)
John Tobin	Angela Martinez (resigned 2 March 2019)
Damian Legg	
Cedric Francis	
Kathryn Pettersen	
Jocelyn Cull-Finch	
Justin Dezylva	

No Territory Councillor has entered into a material contract with St Vincent de Paul Society (NT) Incorporated since the end of the previous financial year and there were no material contracts involving Territory Councillors' interests subsisting at year end. Territory Councillors may have family members or relatives who utilise the services that St Vincent de Paul Society (NT) Incorporated provides. Such transactions are conducted at arms length. Territory Councillors do not receive any direct remuneration.

Other key management personnel as at 30 June 2019 were:

Fran Avon *Chief Executive Officer (commenced 29 January 2019)*
Deborah Nisbet *Chief Financial Officer*
Kirstin Hinchliffe *Human Resource Manager*

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

		2019	2018
		$	$
Remuneration including reportable fringe benefits on motor vehicles	#	106,667	153,261

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

	2019	2018
$0-40k	9	13
$40-80k	0	0
$80-160k	1	1
$160k and above	0	0

Intra-Society

Brought to account in arriving at the surplus for the year are net intra-society payments of $746,849 (2018: $628,378). Intra-society payments and receipts are payments made to and funds received from the Society of St Vincent de Paul outside Northern Territory

The net intra-society payments is made up of intra-society payments of $691,164 (2018: $783,745) to the St Vincent de Paul Society of Queensland, these payments were for the intra-society payments for day to day operational costs of administering the Territory Council. Payments to National Council of St Vincent de Paul Society included $56,274 (2018: $44,560) for levies, twinning payments and operation reimbursements to National Council. Payments received from National Council of St Vincent de Paul Society included $2,630 (2018:$200,000) for reimbursement of expenses being paid back to the Northern Territory Council.

“God allows us to give rise to the practice of two beautiful virtues: perseverance, which leads us to attain the goal, and constancy, which helps us to overcome difficulties.”

St Vincent de Paul

St Vincent de Paul Society
(NT) Inc.
good works

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