

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**ABN 18 332 550 061**

**General Purpose Financial Report**  
**For the year ended 30 June 2020**

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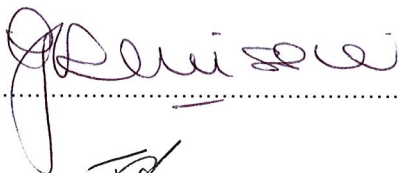
ST VINCENT de PAUL SOCIETY (WA) INC  
ABN 18 332 550 061  
STATEMENT BY THE STATE COUNCIL

In the opinion of the State Council the financial statements and notes as set out on pages 6 to 29 are in accordance with the *Associations Incorporation Act 2015 (WA)* and the *Australian Charities and Not-for-profits Commission Act 2012* and:

1. comply with Australian Accounting Standards-Reduced Disclosure Requirements applicable to St Vincent de Paul Society (WA) Inc.
2. give a true and fair view of the financial position of St Vincent de Paul Society (WA) Inc as at 30 June 2020 and its performance for the year ended on that date;
3. at the date of this statement, there are reasonable grounds to believe that St Vincent de Paul Society (WA) Inc. will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with sub section 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* and is signed for and on behalf of the State Council by:

Council Member.....



Council Member.....



Dated this the first day of October 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of St Vincent De Paul Society (WA) Inc

### Report on the audit of the financial report

#### Qualified Opinion

We have audited the financial report of St Vincent De Paul Society (WA) Inc (the "Society"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in capital funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the State Council.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of St Vincent De Paul Society (WA) Inc, has been prepared in accordance with the *Associations Incorporation Act 2015 (WA)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Society's financial position as at 30 June 2020 and of its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Qualified Opinion

Cash from donations and other fundraising activities is a source of revenue for the Society. The State Council acknowledge the importance of a strong control environment and have implemented a number of controls to safeguard, at best and practically, the collection of cash donations and revenue from fundraising activities, although difficulty in achieving control over the completeness of revenues at their source prior to entry into the financial records is recognised. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to such revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the cash revenue from Donations, Appeals and Fundraising of the Society are complete.

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 Society in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Emphasis of Matter – COVID-19 developments**

We draw attention to Note 19 (Events Occurring after the Reporting Date) of the financial report which notes that the COVID-19 pandemic has created unprecedented uncertainty in the economic environment and how this has been considered by the State Council in the preparation of the financial report. As set out in Note 19, no adjustments have been made to the financial report as at 30 June 2020 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

### **Responsibilities of the State Council for the Financial Report**

The State Council is 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 *Associations Incorporation Act 2015 (WA)*, *Australian Charities and Not-for-profits Commission Act 2012*, and the preparation of the financial report in accordance with Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946 and Regulations 1947* (“the Act and Regulations”) and for such internal control as management determines 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.

In preparing the financial report, the State Council is responsible for assessing the Society'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 State Council either intend to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

### **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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the State Council.
- Conclude on the appropriateness of the State Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the State Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition, we have:

- Obtained an understanding of the internal control structure for fundraising appeal activities.
- Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to *the Act and Regulations*.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of the Financial Report such as accruals, prepayments, provisioning and valuations.

#### **Report on Other Legal and Regulatory Requirements**

##### **Opinion pursuant to the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947***

In our opinion, the Association has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* for the year ended 30 June 2020.

  
**DRY KIRKNESS**

  
**B ROTHMAN**  
Partner

Date: 1 October 2020  
West Perth  
Western Australia

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>Revenue</b>	4		
Fundraising		3,202,062	4,929,707
Government and Other Grant Funding		6,068,963	4,498,285
Retail and Distribution Centre Sales		11,985,614	13,255,772
Specialist Community Services Contributions		1,136,068	1,224,064
Other		280,858	186,151
Non-Operating Activities		725,408	619,485
Non-Recurring Income		2,044,000	-
<b>Total Revenue</b>		<u>25,442,973</u>	<u>24,713,464</u>
 <b>Expenditure</b>			
Fundraising, Public Relations and Communications		(1,672,034)	(1,934,074)
Mission Enabling		(901,030)	(980,355)
People in Need Services		(6,358,561)	(5,763,576)
Retail and Distribution Centre		(11,271,797)	(10,336,086)
Retail and Distribution Centre – Cost of Goods Sold		(209,430)	(211,601)
Specialist Community Services		(5,382,455)	(5,409,805)
<b>Total Expenditure</b>	5	<u>(25,795,307)</u>	<u>(24,635,497)</u>
 Surplus/(Deficit) for the year		(352,334)	77,967
 <b>Other comprehensive income</b>		-	-
 <b>Total comprehensive income for the year</b>		<u>(352,334)</u>	<u>77,967</u>

The Society has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Society has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

*The accompanying notes form part of these financial statements*

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020	2019
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	7,463,319	6,656,524
Trade and other receivables	7	236,870	80,671
Inventories	8	136,174	209,816
Other Assets	9	1,811,627	511,069
Non-current assets held for sale	10	262,862	508,688
<b>Total Current Assets</b>		<u>9,910,852</u>	<u>7,966,768</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	11	19,641,533	20,216,501
Right of use assets	12	13,885,938	-
<b>Total Non-Current Assets</b>		<u>33,527,471</u>	<u>20,216,501</u>
<b>Total Assets</b>		<u>43,438,323</u>	<u>28,183,269</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	2,683,564	1,681,104
Provisions	14 (a)	1,352,973	1,266,259
Leasing Liabilities		2,074,049	-
<b>Total Current Liabilities</b>		<u>6,110,586</u>	<u>2,947,363</u>
<b>Non-Current Liabilities</b>			
Lease Liabilities	12	11,885,979	-
Provisions	14 (b)	1,515,321	957,135
<b>Total Non-Current Liabilities</b>		<u>13,401,300</u>	<u>957,135</u>
<b>Total Liabilities</b>		<u>19,511,886</u>	<u>3,904,498</u>
<b>Net Assets</b>		<u>23,926,437</u>	<u>24,278,771</u>
<b>Capital Funds</b>			
Accumulated funds		<u>23,926,437</u>	<u>24,278,771</u>
<b>Total Capital Funds</b>		<u>23,926,437</u>	<u>24,278,771</u>

The Society has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Society has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

*The accompanying notes form part of these financial statements*

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**STATEMENT OF CHANGES IN CAPITAL FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Accumulated Funds</b>	<b>Total Capital Funds</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2018</b>	24,200,804	24,200,804
Surplus attributable to the Society	77,967	77,967
<b>Balance at 30 June 2019</b>	<u>24,278,771</u>	<u>24,278,771</u>
Deficit attributable to the Society	(352,334)	(352,334)
<b>Balance at 30 June 2020</b>	<u><u>23,926,437</u></u>	<u><u>23,926,437</u></u>

*The accompanying notes form part of these financial statements*

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers and funding bodies (Inc. GST)		25,210,195	25,848,412
Interest income		50,453	62,195
Payments to clients, suppliers and employees (Inc. GST)		(21,479,534)	(23,930,087)
Short-term, low value and variable lease payments		(643,035)	-
Interest expenses on lease liabilities		(554,295)	-
<b>Net cash flows provided by operating activities</b>	15 (a)	<u>2,583,784</u>	<u>1,980,520</u>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of property, plant and equipment		388,784	387,217
Purchase of property, plant and equipment		(957,162)	(1,217,110)
Proceeds from sale of assets held for sale		513,097	368,998
Purchase of assets held for sale		(2,486)	(8,892)
Proceeds from sale of investment designated as fair value through other comprehensive income		-	133,136
<b>Net cash flows used in investing activities</b>		<u>(57,767)</u>	<u>(336,651)</u>
<b>Cash flows from financing activities:</b>			
Repayment of lease liabilities-principal		(1,719,222)	-
<b>Net cash flows used in financing activities</b>		<u>(1,719,222)</u>	<u>-</u>
Net increase in cash and cash equivalents		806,795	1,643,869
Cash and cash equivalents at the beginning of the financial year		<u>6,656,524</u>	<u>5,012,655</u>
Cash and cash equivalents at the end of the financial year	15 (b)	<u>7,463,319</u>	<u>6,656,524</u>

*The accompanying notes form part of these financial statements*

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

St Vincent de Paul Society (WA) Inc (the 'Society'), working in Australia since 1865, is an independent, volunteer based, charitable organisation operating within the ethos of the Catholic Church. The Society mission is to serve the poor and disadvantaged of any nature, gender, creed, race or nationality on a person-to-person basis. The Society is an association incorporated in Western Australia and operating pursuant to the *Associations Incorporation Act 2015 (WA)*.

**NOTE 1 BASIS OF PREPARATION**

The Society applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standard - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The State Council has determined that the Society is not publicly accountable.

The Society is a not-for-profit public benevolent 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 report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

**NOTE 2 NEW STANDARDS AND AMENDMENTS TO AASB THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR**

The Society has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2019.

AASB 16 Leases  
AASB 15 Revenue from Contracts with Customers  
AASB 1058 Income of Not-for-Profit Entities

**Adoption of AASB 16 Leases**

The Society has adopted AASB 16 Leases using the modified retrospective method of adoption with the initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of accumulated funds as at 1 July 2019, and the comparative information for 2019 was not restated and continues to be reported under AASB 117 and related interpretations.

**New definition of a lease**

Under AASB 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 2 NEW STANDARDS AND AMENDMENTS TO AASB THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont.)**

***As a lessee - Leases previously classified as operating leases***

***Nature of the effect of adoption of AASB 16***

The Society has lease contracts for retail buildings. As a lessee, the Society previously classified leases as operating leases where substantially all the rewards and risks of ownership of the assets remain with the lessor. Under AASB 16, the Society applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets and leases with a lease term of 12 months or less. Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 July 2019, the Society recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

***Impacts on transition***

Lease liabilities at 1 July 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 July 2019 and presented separately in the statement of financial position as at 30 June 2020.

The right-of-use assets were measured at the amount of the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 July 2019.

All these assets were assessed for any impairment based on AASB 136 on that date. The Society elected to present the right-of-use assets separately in the statement of financial position.

The following practical expedients have been used by the Society in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied;
- leases that have remaining lease terms of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term leases;
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate;
- applying AASB 16 to leases previously identified as leases under AASB 117 Leases and Interpretation 4 *Determining whether an arrangement contains a lease* without reassessing whether they are, or contain, a lease at the date of initial application; and
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 2 New standards and amendments to AASB that are mandatorily effective for the current year (Cont.)**

**Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-for-Profit Entities**

AASB 15 and its amendments replace AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations. They are applied, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in AASB 15 provide a more structured approach for measuring and recognising revenue.

The Society has applied AASB 15 and AASB 1058 using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of accumulated funds at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 Revenue and AASB 1004 Contributions. The Society has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application. The adoption of these standards has not caused any material impact on the financial statements of the Society.

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following significant accounting policies which are consistent with the previous year unless otherwise stated, have been adopted in the preparation of this financial report. The amounts presented in the financial statements have been rounded to the nearest dollar.

**(a) Income Tax**

The Society is exempt from Income Tax under Subdivision 50-5 of the *Income Tax Assessment Act 1997*.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and deposits held at-call with banks, other short term highly liquid investments with original maturities of 3 months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Statement of Financial Position.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment losses.

*Property*

Freehold land and buildings are carried at cost less depreciation for buildings and any accumulated impairment losses. Properties acquired by donations or bequest have been brought to account based on independent valuation.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(c) Property, Plant and Equipment (cont.)**

*Plant and Equipment*

Purchased plant and equipment is carried at cost less depreciation.

Repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

*Depreciation*

Depreciation is calculated on a straight-line basis to write off the net cost or other revalued amount of each asset over its expected useful life to the Society to its residual value, except leasehold improvements, which are over the shorter of the estimated useful life of the asset or the term of the lease, as follows:

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% on historical cost
Building improvements	10% - 20%
Furniture, plant and equipment	10% - 50%
Computer equipment	20% - 50%
Motor vehicles	20%

Building improvements situated on leasehold land are depreciated over five years and/or over the term of the lease whichever is the lesser.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur.

**(d) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Society commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(d) Financial Instruments (cont.)**

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification*

On initial recognition, the Society classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income equity instrument (FVOCI equity)
- fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition unless the Society changes its business model for managing financial assets.

**Amortised cost**

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Society's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

*Trade receivables:*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Society has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

*Other financial assets measured at amortised cost:*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised.

**Fair Value through other comprehensive income – Equity Instruments**

*Equity instruments:*

The Society held shares in listed entities over which they did not have significant influence nor control. The Society has made an irrevocable election to classify these equity investments at fair value through other comprehensive income as they were not held for trading purposes. These investments were carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve was transferred to accumulated surplus and was not reclassified to profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(d) Financial Instruments (cont.)**

**Fair Value through profit or loss**

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income – equity, as described above, are measured at FVTPL.

**Financial liabilities**

The Society measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Society comprise trade and other payables.

**Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

**(e) Leases**

**For comparative year (applicable before 1 July 2019)**

The Society has commitments for lease payments for operating leases, where substantially all the risks and benefits remain with the lessor. These operating lease payments are charged as an expense to profit or loss in the period in which they are incurred.

**For current year (applicable after 1 July 2019)**

At the inception of a contract, the Society assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The Society as a lessee**

The Society recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets if there are leases present. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

**i) Right of use asset**

Right of use assets are recognised at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(e) Leases (cont.)**

Buildings 3 to 21 years

If ownership of the leased asset transfers to the Society by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments included in the measurement of the lease liability are as follows:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- the amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Society;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for termination of a lease, if the lease term reflects the Society exercising the option to terminate the lease.

The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Society uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

iii) Adoption of short-term leases or low value assets exemptions

The Society has elected to apply the recognition exemption to its short-term leases of offices (i.e. leases with a term of a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Society has also elected to apply the recognition exemption for leases of low-value assets to leases of photocopiers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

iv) Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the Society to further its objectives (commonly known as peppercorn/concessionary leases), the Society has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(f) Impairment of Assets**

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If such an 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 Society reviews several factors affecting property, plant and equipment, including their carrying values, to determine if these assets may be impaired. Any excess of the asset's carrying value over its recoverable amounts is recognised immediately in profit or loss as an impairment expense.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**(g) Inventories**

Inventories as disclosed in the Statement of Financial Position represents stocks of consumables for either use in the provision of services or for sale.

Donated goods for resale which are held at various store locations are not recognised in the Statement of Financial Position as the value cannot be reliably measured, and the Society has adopted, as a practical expedient, to only recognise donated inventory at current replacement cost, if the individual items are material.

**(h) Employee Benefits**

*Wages, salaries, annual leave and personal leave*

Liabilities for wages, salaries and annual leave 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.

Personal leave is non-vesting and has not been provided for.

*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 reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and are 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.

**(i) Accounts payable and other payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Society during the reporting period that remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(j) Provisions**

*Provision for Maintenance*

Provisions for building and cyclical maintenance are raised in accordance with the requirements of the funding agreements with the Department of Housing. Expenditure incurred in connection with such maintenance is charged against the provision.

**(k) Revenue**

The Society has applied AASB 15 *Revenue from Contracts with Customers* ("AASB 15") and AASB 1058 *Income of Not-for-Profit Entities* ("AASB 1058") using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of accumulated funds at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 *Revenue* and AASB 1004 *Contributions*. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Society.

**For current year (applicable after 1 July 2019)**

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Revenue relating to the retail store sales is recognised at the point in time when the goods are collected by the customers. At this point the customer accepts the goods and the consideration becomes due and payable. The stores do not accept return of goods or offer refunds.

Revenue from cash vouchers or Vault cards is only recognised as income when the voucher is used by the customer to acquire goods at a price that reflects the standalone selling price of the item.

Board and lodging revenue is recognised over time as the services are rendered.

**Operating grants, donations and bequests**

When the Society receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. When both of these conditions are satisfied, the Society:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contracts are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058.

Fundraising income is recognised when it is recorded in the Society's books.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(k) Revenue (cont.)**

The Society receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. The Society recognises income immediately in profit or loss as the difference between the fair value of the asset and any related amounts.

A large number of volunteers have donated significant amounts of their time to the Society for assisting in the delivery of programs, fund-raising campaigns and management. The value of these donated services is not recognised in the accompanying financial report as no objective basis is available to measure the value of such services.

Income from government COVID - 19 subsidies are recognised in profit or loss when the Society obtains control of the subsidies as the criteria for the subsidies are not sufficiently specific to apply AASB 15 and are recognised under AASB 1058.

There is no material impact to profit or loss or net assets on the adoption of AASB 15 and AASB 1058 in the current or comparative years.

Interest revenue is recognised as it accrues.

**For comparative year (applicable before 1 July 2019)**

*Sale of Goods*

Revenue from the sale of goods is recognised when entered into the point of sale system. Revenue from services provided is recognised upon the delivery of the services.

*Government Grants*

Grant revenue is recognised in profit or loss when the Society obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Society and the amount of the grant can be measured reliably. Grants from government are principally of a recurrent or capital nature and are intended to fund ongoing operations or asset acquisitions. To the extent that any grants have not been fully expended at the end of the reporting period, they are carried forward as unspent grants to future accounting periods.

*Interest*

Bank interest revenue is recognised when interest is received.

*Legacies*

Legacies are recognised when the legacy is received. Revenue from legacies comprising bequests of property are recognised at fair value, being the market value of the property at the date the Society becomes legally entitled to the property.

*Donated assets and services*

A large number of volunteers have donated significant amounts of their time to the Society for assisting in the delivery of programs, fund-raising campaigns and management. The value of these donated services is not recognised in the accompanying financial report as no objective basis is available to measure the value of such services.

Assets donated to the Society are measured at fair value in profit or loss when it can be reliably measured.

Fundraising income is recognised when it is recorded in the Society's books.

All revenue is stated net of the amount of goods and services tax (GST).

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(l) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

**(m) Critical Accounting Estimates and Judgements**

Management evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Society. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

*Key judgments - lease term and option to extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Society will make. The Society determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to the future strategy of the Society.

*Key judgments - performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

*Key estimates - Provisions for maintenance*

The Society determines the provision for maintenance at each reporting period in terms of funding agreements (refer note 3 (j)).

*Key estimates - Provisions for employee benefits*

Provision for employee benefits payable after 12 months from the reporting date are based on future wages and salary levels, experience of employee departures and periods of services, as discussed in note 3(h). The amount of these provisions would change should any of these factors change in the next 12 months.

*Key judgements - Impairment of receivables*

No impairment of receivables has been made at 30 June 2020, as all outstanding debts are expected to be received in due course.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**(n) Non-Current Assets held for Sale**

Non-current assets are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

Impairment losses are recognised for any initial or subsequent write-down of an asset classified as held for sale to fair value less costs to sell. Any reversal of impairment recognised on classification as held for sale or prior to such classification is recognised as a gain in profit or loss in the period in which it occurs.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4 REVENUE</b>		
Operating Activities:		
Fundraising	3,202,062	4,929,707
Government and Other Grant Funding	6,068,963	4,498,285
Retail and Distribution Centre Sales	11,985,614	13,255,772
Specialist Community Services Contributions	1,136,068	1,224,064
Other revenue	280,858	186,151
	<u>22,673,565</u>	<u>24,093,979</u>
Non-Operating Activities:		
Bequests including assets contributed	346,621	373,219
Gain on sale of property, plant and equipment	320,185	27,704
Interest	50,453	62,195
Non-recurrent grants	8,149	156,367
	<u>725,408</u>	<u>619,485</u>
Non-Recurring Activities:		
Jobkeeper Receipts	1,944,000	-
ATO Cashflow Boost	100,000	-
	<u>2,044,000</u>	<u>-</u>
<b>TOTAL REVENUE</b>	<u><b>25,442,973</b></u>	<u><b>24,713,464</b></u>

**NOTE 5 SURPLUS/(DEFICIT) FOR THE YEAR**

(a) Surplus/(Deficit) has been determined after charging the following specific expenses:

Employee Benefit – Superannuation	1,198,878	1,021,093
Depreciation of property, plant and equipment	1,198,746	1,115,311
Depreciation of right of use assets	2,430,312	-
Short-term, low value and variable lease expenses	643,035	-
Operating leasing costs	-	2,925,341
Interest expense on lease liabilities	554,295	-
Bad and doubtful debts	16,345	20,538
	<u>6,041,611</u>	<u>5,082,283</u>

(b) The results for the year were affected by the following significant items of revenue:

Bequests	346,620	373,219
Gain on Sale of property, plant and equipment	320,185	27,704
	<u>666,805</u>	<u>400,923</u>

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>NOTE 6</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash on hand	16,240	15,490
	Cash at bank	6,445,109	4,624,164
	Term deposits	1,001,970	2,016,870
		<u>7,463,319</u>	<u>6,656,524</u>
<b>NOTE 7</b>	<b>TRADE AND OTHER RECEIVABLES</b>		
	Trade receivables	234,894	58,096
	GST	-	22,045
	Other	1,976	530
		<u>236,870</u>	<u>80,671</u>
<b>NOTE 8</b>	<b>INVENTORIES</b>		
		<u>136,174</u>	<u>209,816</u>
		<u>136,174</u>	<u>209,816</u>
<b>NOTE 9</b>	<b>OTHER ASSETS</b>		
	Prepayments	691,633	326,193
	Bonds	139,511	149,876
	Accrued Revenue	980,483	35,000
		<u>1,811,627</u>	<u>511,069</u>
<b>NOTE 10</b>	<b>NON-CURRENT ASSETS HELD FOR SALE</b>		
		<u>262,862</u>	<u>508,688</u>
		<u>262,862</u>	<u>508,688</u>
<b>NOTE 11</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	<b>WORK IN PROGRESS</b>		
		<u>13,181</u>	<u>11,076</u>
		<u>13,181</u>	<u>11,076</u>
	<b>LAND AND BUILDINGS</b>		
	At cost	20,148,175	20,148,175
	Less: Accumulated depreciation	(1,352,034)	(1,092,824)
	Less: Accumulated impairment losses	(1,500,000)	(1,500,000)
		<u>17,296,141</u>	<u>17,555,351</u>
	<b>PLANT AND EQUIPMENT</b>		
	At cost	4,414,893	3,985,299
	Less: Accumulated depreciation	(3,097,634)	(2,477,970)
		<u>1,317,259</u>	<u>1,507,329</u>
	<b>MOTOR VEHICLES</b>		
	At cost	1,684,566	1,722,399
	Less: Accumulated depreciation	(1,035,170)	(946,259)
		<u>649,396</u>	<u>776,140</u>

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
<b>NOTE 11 PROPERTY, PLANT AND EQUIPMENT (Cont.)</b>		
<b>OFFICE AND COMPUTER EQUIPMENT</b>		
At cost	739,458	653,583
Less: Accumulated depreciation	(373,902)	(286,978)
	<u>365,556</u>	<u>366,605</u>
	<u>19,641,533</u>	<u>20,216,501</u>

**Movements in carrying amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year.

	Work in Progress	Land and Buildings	Plant and Equipment	Motor Vehicles	Office and Computer Equipment	Total
	\$	\$	\$	\$	\$	\$
Net book value at 1 July 2019	11,076	17,555,351	1,507,329	776,140	366,605	20,216,501
Additions	8,597		429,595	433,608	85,362	957,162
Disposals				(333,384)		(333,384)
Transfer	(6,492)				6,492	-
Depreciation		(259,210)	(619,665)	(226,968)	(92,903)	(1,198,746)
Net book value at 30 June 2020	<u>13,181</u>	<u>17,296,141</u>	<u>1,317,259</u>	<u>649,396</u>	<u>365,556</u>	<u>19,641,533</u>

Included in land and buildings are joint venture properties developed jointly by the Society and the Department of Housing. In terms of the Housing Joint Venture Lease Agreements, the Society shall not mortgage, charge, encumber or create any security over its interest without the prior written consent of the Department of Housing. The lease terms of the Agreements are 25 years, where after each party to the agreements has the option to purchase the other party's equitable interest in the joint venture at market value.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 12 RIGHT OF USE ASSETS AND LEASE LIABILITIES**

The Society has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

The Society has lease contracts for various properties used in its retail operations. Leases of properties generally have lease terms between 3 and 21 years.

**(a) Right of use assets**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NON - CURRENT</b>		
Leased properties		
Recognised on initial application of AASB16 (previously classified as operating lease under AASB 117)	16,316,250	-
Depreciation expense	<u>(2,430,312)</u>	<u>-</u>
	<u><u>13,885,938</u></u>	<u><u>-</u></u>

**(b) Lease liabilities**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Lease Liabilities	<u>2,074,049</u>	<u>-</u>
	<u><u>2,074,049</u></u>	<u><u>-</u></u>
<b>NON - CURRENT</b>		
Lease Liabilities	<u>11,885,979</u>	<u>-</u>
	<u><u>11,885,979</u></u>	<u><u>-</u></u>

**(c) Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income**

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Society is a lessee are shown below:

	<b>2020</b>
	<b>\$</b>
Interest expense on lease liabilities	554,295
Expense relating to short-term leases and other leases with remaining lease terms ended before 30 June 2020	55,334
Variable lease payments not included in the measurement of lease liabilities	537,116
Depreciation of right-of-use assets	2,430,312
Expense relating to leases of low-value assets	<u>50,585</u>
	<u><u>3,627,642</u></u>

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
<b>NOTE 13 TRADE AND OTHER PAYABLES</b>		
Trade payables	1,275,039	810,732
PAYG/GST payable	72,581	81,506
Contract liabilities	1,335,944	788,866
	<u>2,683,564</u>	<u>1,681,104</u>

Grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15. The amount received at that point in time is recognised as a contract liability until the performance obligations have been satisfied.

**NOTE 14 PROVISIONS**

**(a) CURRENT**

Annual and Long Service Leave	1,211,054	1,000,410
Property Maintenance	141,919	265,849
Total Current Provisions	<u>1,352,973</u>	<u>1,266,259</u>

**(b) NON-CURRENT**

Long Service Leave	406,710	336,821
Leasing Make Good Provision	637,000	-
Property Maintenance	471,611	620,314
Total Non-Current Provisions	<u>1,510,321</u>	<u>957,135</u>
<b>Total Provisions</b>	<u>2,868,294</u>	<u>2,223,394</u>

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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	2020	2019
	\$	\$
<b>NOTE 15 NOTES TO THE STATEMENT OF CASH FLOWS</b>		
(a) Reconciliation of net cash flows from operating activities		
<b>Surplus/(deficit)/ from ordinary activities</b>	(352,334)	77,967
Non-cash flows in surplus/(deficit) from ordinary activities:		
Depreciation and amortisation	1,198,746	1,115,311
Amortisation of right of use assets	2,430,312	-
Gain on sale of property, plant and equipment	(320,185)	(27,704)
Bad debts	16,345	20,538
Work in progress expensed	-	66,194
<b>Changes in assets and liabilities:</b>		
(Increase) in receivables	(193,145)	(20,636)
Decrease/(Increase) in prepayments	(365,439)	16,747
Decrease/(Increase) in inventories	73,642	(44,635)
(Increase) in other current assets	(936,563)	(32,235)
Increase in payables	477,426	76,360
Increase in unspent grants	547,079	598,841
Increase in provisions	7,900	133,772
<b>Net cash provided by operating activities</b>	<u>2,583,784</u>	<u>1,980,520</u>

(b) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year, as shown in the Statement of Cash Flows, is reconciled to items in the Statement of Financial Position as follows:

Cash on hand	16,240	15,490
Cash at bank	6,445,109	4,624,164
Term deposits	1,001,970	2,016,870
	<u>7,463,319</u>	<u>6,656,524</u>

**Financing Facilities Available**

At reporting date, the following financing facilities were available or were being negotiated:

Total Facilities available at reporting date	
- Bank overdraft	150,000
- Corporate credit card facility	150,000
Facilities unused at reporting date	
- Bank overdraft	150,000
- Corporate credit card facility	106,532
Facilities being negotiated at reporting date	
- Secured Line of Credit	2,000,000
The line of credit is secured by mortgage over three of the Society's buildings and freehold land.	

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
<b>NOTE 16 RELATED PARTY TRANSACTIONS</b>		
(a) Members of State Council act in a voluntary capacity and do not receive any remuneration for their services. As part of the role the State President is entitled to a fully maintained Society vehicle or a vehicle allowance towards the provision of her own vehicle and associated running costs. The current State President receives an allowance of \$13,000 per annum, the payment of this allowance received full approval of State Council.		
(b) Transactions between related parties are detailed below:		
Payments to:		
- National office levies	324,745	244,228
	<u>324,745</u>	<u>244,228</u>
(c) Key Management Personnel Compensation		
Salary	791,728	758,890
Employee benefits	133,968	278,241
	<u>925,696</u>	<u>1,037,131</u>

**NOTE 17 ECONOMIC DEPENDENCY**

A significant portion of the Society's revenue is provided by donations, retail outlets sale of donated goods plus Government funding.

**NOTE 18 FINANCIAL RISK MANAGEMENT**

The Society's financial instruments consist mainly of cash at bank, trade and other receivables, short term deposits and accounts payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows

<b>Financial Assets</b>	<b>Note</b>		
Cash and cash equivalents	(6)	7,463,319	6,656,524
Trade receivables	(7)	236,870	58,096
		<u>7,700,189</u>	<u>5,070,653</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables		1,275,039	810,732
Contract liabilities		1,335,944	788,866
	(13)	<u>2,610,983</u>	<u>1,599,598</u>

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

**ST VINCENT de PAUL SOCIETY (WA) INC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**NOTE 18 FINANCIAL RISK MANAGEMENT (Cont.)**

Term receivables reprice to market interest rates every three months, ensuring carrying amounts approximate fair value.

<b>NOTE 19 OPERATING LEASE COMMITMENTS</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Not later than 1 year	-	2,549,072
Later than 1 year but not later than 5 years	-	5,270,787
Later than 5 years	-	272,958
	<hr/>	<hr/>
	-	8,092,817

The leases refer to lease of properties.

The Society has recognised right-of-use assets and lease liabilities at the reporting date for the above leases previously classified as operating leases. The comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

**NOTE 20 EVENTS OCCURRING AFTER THE REPORTING DATE**

The financial report was authorised for issue on 01 October 2020 by the State Council.

In March 2020 Australia was affected by the COVID-19 Pandemic. This resulted in the Society reducing the level of its retail trading activities. At the date of this report, it was not possible to predict or reliably estimate the potential impact of COVID-19, however the State Council will continue to monitor the situation going forward.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Society, the results of those operations or the state of affairs of the Society in future financial years.

**NOTE 21 ENTITY DETAILS**

The registered office of the entity is:

Ozanam House  
9 Brewer Road  
Canning Vale  
Western Australia 6155

The principal place of business is:

Ozanam House  
9 Brewer Road  
Canning Vale  
Western Australia 6155