St Vincent de Paul Society
VICTORIA
good works

FINANCIAL REPORT
2017–2018

CONTENTS

COMMITTEE OF MANAGEMENT REPORT

The Committee of Management of the St Vincent de Paul Society Victoria Inc. presents its report together with the consolidated financial statements of the Group comprising the St Vincent de Paul Society Victoria Inc., VincentCare Victoria and its subsidiary VincentCare Community Housing, and Society of St Vincent de Paul (Victoria) for the financial year ended 30 June 2018, and the Independent Audit Report thereon.

The consolidated entity in these financial statements will be referred to as ‘the Group’. The parent entity is St Vincent de Paul Society Victoria Inc. (the Society).

NAMES AND PARTICULARS OF THE COMMITTEE OF MANAGEMENT

The names and particulars of the Committee of Management of the Society during or since the end of the financial year are:

Member	Particulars	
Mr Michael Liddy	State President	End of Term 24 March 2018
Ms Maria Minto Cahill	Vice President	End of Term 24 March 2018
Ms Margaret Gearon	Deputy State President	End of Term 24 March 2018
Ms Margaret Gearon	Vice President	Reappointed 24 March 2018
Mr Michael Cashman	Vice President	End of Term 24 March 2018
Mr Josef Czyzewski	State Treasurer	End of Term 11 May 2018
Dr Maria Nguyen	Youth Co-representative	End of Term 24 March 2018
Ms Wendy Buchanan	Central Council President	
Ms Marie O’Brien	Central Council President	
Mr Kevin McMahon	State President	Appointed 24 March 2018
Mr Kevin O’Callaghan	Central Council President	
Mr Herbert Portanier	Central Council President	
Mr Frank Purcell	Central Council President	
Mr Douglas Knez	Central Council President	End of Term 1 September 2017
Mr Ian Hardy	Central Council President	Appointed 27 October 2017
Mons Tony Ireland	Spiritual Advisor	Resigned 29 July 2017
Mr David Purchase	Legal Advisor	
Mr Desmond Madden	Central Council President	
Very Rev Tony Kerin	Spiritual Advisor	Appointed 26 August 2017
Mr Ken Northwood	Vice President	Appointed 24 March 2018
Mr Brendan Foley	Treasurer	Appointed 11 May 2018
Mr Michael Quinn	Deputy State President	Appointed 24 March 2018
Ms Rebecca Caser	Youth Co-representative	Appointed Jointly 24 March 2018
Mr Andrew Black	Youth Co-representative	Appointed Jointly 24 March 2018

The above named directors held office during the whole financial year except where noted.

The Committee of Management is comprised of office holders in their capacity as members of State Council performing the roles and responsibilities they have under the Society Rule, who are either elected or appointed for a four-year term.

The State President is elected by members of the State Council, and may appoint up to six voting members to hold various office bearer positions, for the term of his/her office.

The seven members who are Central Council Presidents are elected to the Board by conference and council members within their Central Council.

PRINCIPAL ACTIVITIES

The Society is a well-recognised and highly regarded charitable organisation established in Australia by Fr Gerald Ward on 5 March 1854, after witnessing the plight of people following the discovery of gold in Victoria. This year, the Society completes 164 years of providing care and support to the disadvantaged within our community.

The St Vincent de Paul Society aspires to be recognised as a caring Catholic charity offering 'a hand-up' to people in need. We do this by respecting their dignity, sharing our hope and encouraging them to take control of their own destiny.

The Society is funded through its activities in the Vinnies Shops and its fundraising arm. The work of the Society is to provide assistance to those in need through our home visitation, soup van services, a range of education programs and aid in shops. Through the subsidiary, VincentCare, we also provide a range of services to people experiencing or at risk of homelessness, the provision of care for seniors and employment support to people with a disability.

REVIEW OF OPERATIONS OF THE GROUP

The following table provides a breakdown of the Group's Consolidated result for the financial year ended 30 June, 2018 (2017/18) and comparisons with the previous two financial years.

	2017/18 $M	2016/17 $M	2015/16 $M
Income			
Sale of Goods	44,012	40,406	38,439
Government Grants	29,960	25,237	18,807
Fundraising Activities	8,328	6,225	6,127
Bequests	3,527	5,136	2,931
Other Revenue	9,969	10,785	7,389
Total Income	**95,796**	**87,789**	**73,693**
Expenditure			
Retail Costs	28,783	25,357	25,102
Accommodation & Support Services	29,601	27,256	20,403
People in Need Services	14,995	14,145	12,489
Administration Support	6,738	6,565	5,697
Other Support Services	4,631	4,844	4,620
Fundraising/Marketing	2,048	1,656	1,756
Other Expenditure	106	1,347	1,821
Total Expenditure	**86,902**	**81,170**	**71,888**
Surplus from Continuing Operations	**8,894**	**6,619**	**1,805**
Surplus from Discontinued Operations	-	-	21,931*
Surplus	**8,894**	**6,619**	**23,736**

** Surplus from Discontinued Operations includes the gain on sale of the residential aged care facilities and licences from Bailly House of $21.9M.*

The Group's surplus for the year from continuing operations was $8.9M (2017: surplus $6.7M), and a surplus of $9.8M (2017: surplus $8.6M) after accounting for other comprehensive income reflecting changes in fair value of financial assets. The financial outcomes of undertakings of the Consolidated Group are segmented below between its two key operating entities, the Parent entity (the Society) and its key wholly owned subsidiary, Vincentcare Victoria.

COMMITTEE OF MANAGEMENT REPORT (CONTINUED)

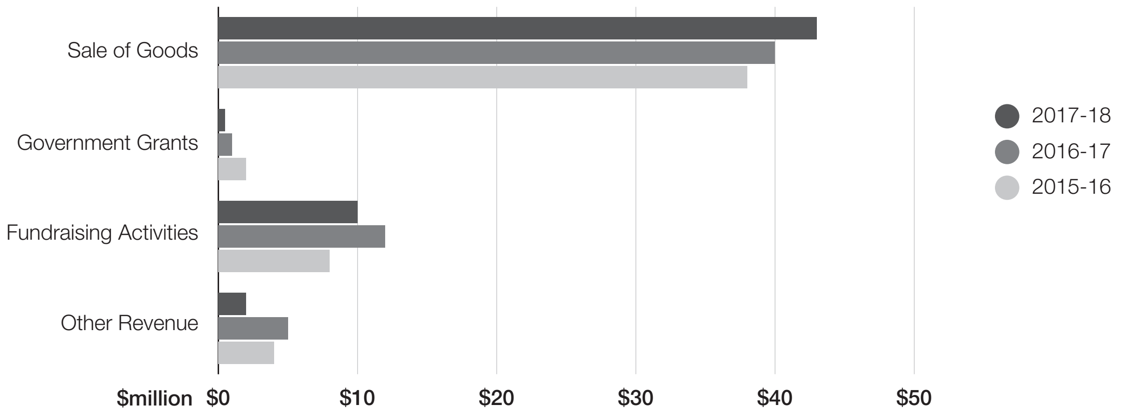
OPERATIONS – THE SOCIETY

	2017/18 $M	2016/17 $M	2015/16 $M
Income			
Sale of Goods	43,488	39,875	37,842
Government Grants	245	367	562
Fundraising Activities	7,033	6,200	5,967
Bequests	3,511	4,863	2,777
Other Revenue	2,268	4,770	3,738
Total Income	**56,545**	**56,075**	**50,886**
Expenditure			
Retail Costs	26,927	23,672	23,530
People in Need Services	15,557	15,066	12,590
Administration Support	7,737	6,565	6,329
Other Support Services	4,630	4,844	4,620
Fundraising/Marketing	2,049	1,656	1,756
Other Expenditure	-	-	366
Total Expenditure	**56,900**	**51,803**	**49,191**
Surplus/(Deficit)	**(355)**	**4,272**	**1,695**

The Society's deficit for the year from continuing operations was $355K (2017: surplus $4.272M). The result followed a year of significant investment in the infrastructure of the Society to form a firm foundation for continued future development.

Revenue from continuing operations increased by 1% to $56.5M (2017: $56.1M) in total and 6% after excluding the net gain on sale of property, plant and equipment of $2.597M in 2017.

Three Year Revenue History



Sale of goods through our Retail shops increased by 9% to $43.5M over the previous year with the opening of new shops in Elsternwick, Bacchus Marsh, Moorabbin, Burnt Bridge, Reservoir and Kilsyth. We also relocated shops to new sites in Wendouree, Shepparton and Ashburton. Vinnies operates three warehouses and a fleet of trucks supporting shops and conference needs. We now operate 110 stores throughout Victoria.

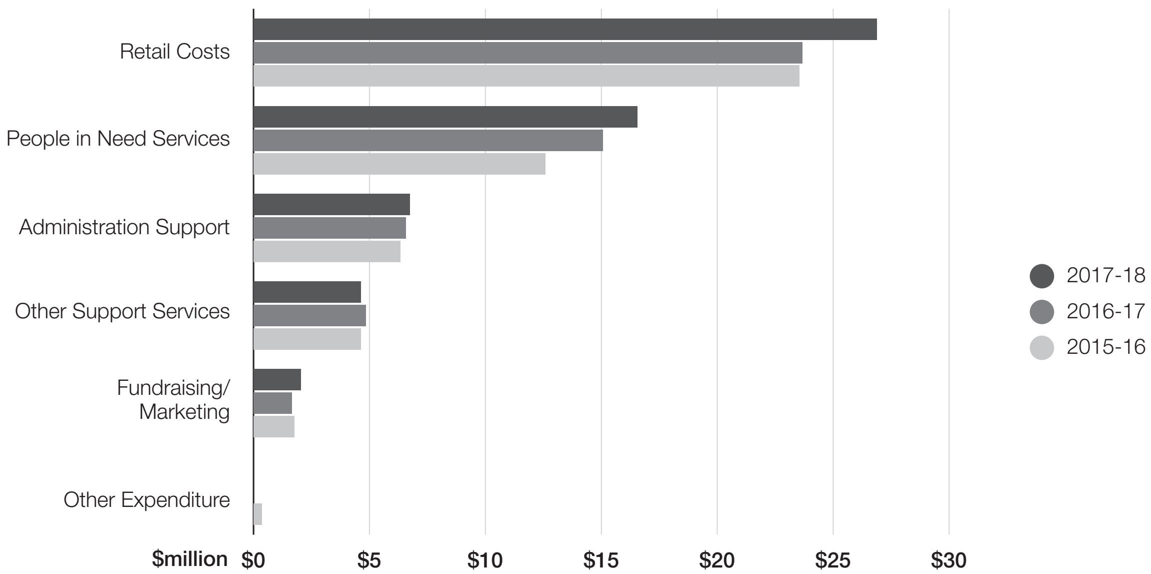
Around 6,000 team members work in the retail shops and support in logistics and warehouses. We have seen a net growth of 151 in total volunteer numbers.

- This year we served 3,805,588 customers. An increase of 11% on last year.
- This year we sold 11,859,362 units, an increase of 9% on the previous year.
- The average customer spent $11.36 showing a growth of 76 cents on last year.

Government grants of $245K (2017: $367K) were received as valued support to our Soup Van program.

While income from bequests decreased due to a large single gift in 2016/17, revenue from fundraising grew 13% to $7M. This was due to the introduction of a new appeal, a new regular giving program and holding an additional Vinnies CEO Sleepout event in Geelong. Other revenue included $1.5M interest and investment income and $768K for other income items such as the Work for the Dole program, freight and landfill subsidies.

Three Year Expenditure History



With the growth in our Retail shop network, a $1M donation to VincentCare's North Melbourne Redevelopment and the increase in demand for services, expenditure for the year increased 9.8% to $56.9M.

Assistance to People in Need increased 3% to $15.6M. The increase is reflective of the increased demand for our services experienced by individual conferences across the state.

Administration Support increased 18% to $7.7M as the Society continues to invest in governance and administrative oversight for all activities and included the $1M donation to the North Melbourne Redevelopment.

Other Support Services decreased 4%.

With the increased activity in Fundraising/Marketing, expenses also increased. This included increased mail, additional appeal and event costs. Much development work was also done to ensure the success of fundraising in future years. This included a significant acquisition program to safeguard the donor database and a new fundraising website for the Vinnies CEO Sleepout.

COMMITTEE OF MANAGEMENT REPORT (CONTINUED)

Material Aid provided through the year included $15.6M in direct support and $5.6M in Other Support Services – an increase of 6% on 2016/17. Growth in demand was experienced in Food Vouchers $6.3M, Accommodation/Transport support $1.9M, and support for Education $1.2M. The Society continued to financially support the VincentCare HomeDirect Head leasing program at a cost of $0.5M.

FINANCIAL POSITION – THE SOCIETY

The Society remains in a sound financial position with net assets at 30 June 2018 of $113M (2017: $112.7M). The main components of this are cash and cash equivalents of $14.9M, financial assets (Endowment Fund) of $22.6M, and other non-current assets of $80.4M (principally property assets of $24.5M, and the investment in our wholly owned subsidiary VincentCare Victoria of $52.6M).

The Society's holdings of cash and cash equivalents, and other financial assets decreased by $3.75M in 2017/18 due to strategic investment in Infrastructure in the Society's assets for remedial and expansion works.

OPERATIONS – VINCENTCARE VICTORIA

Revenue through VincentCare increased to $40.8M due in the main to growth in government grants by $4.9M (including capital grants utilised of $5.6M), donations for the North Melbourne Redevelopment and investment income.

The consolidated expenses of VincentCare grew by $1.3M to $31.6M driven by increases in accommodation and support service costs ($2.3M), particularly employee costs and client services expenses offset by net gains on disposal of available for sale assets and net realised foreign exchange gains. 2016/17 included Non-operational one-off divestment costs for Residential Aged Care of $0.9M included in the cost base.

VincentCare's Consolidated Statement of Profit or Loss and Other Comprehensive Income showed a net surplus of $9.4M for the year ended 30 June 2018 (2017: $4.3M). The surplus includes an increase in depreciation arising from the change in useful lives of property, plant and equipment of $0.1M (2017: $0.5M). No impairment loss was recognised in 2018 (2017: Nil).

FINANCIAL POSITION – VINCENTCARE VICTORIA

At the end of the current financial year, VincentCare's total assets increased by $22.8M to $124.2M (2017: $101.4M). Property, plant and equipment increased by $26.9M to $43.6M (2017: $16.7M) while trade and other receivables decreased by $4.4M to $2.0M (2017:$6.4M).

Cash and cash equivalents at the end of the financial year was $8.5M (2017: $9.3M).

Total financial assets held as at 30 June 2018 amounted to $68.6M (2017: $68.4M) representing VincentCare's long-term investment funds which are maintained to generate income to fund VincentCare's self-funded programs, strategic initiatives and to ensure long-term financial sustainability of VincentCare's operations.

At the end of the current financial year, VincentCare's total liabilities increased by $13.4M to $25.2M (2017: $11.8M). This includes borrowings from the line of credit facility established with CDF (drawn to $9.5M) to support financing of the North Melbourne Redevelopment and maintain essential earning capacity of VincentCare's investment funds.

At the end of the current financial year, VincentCare's total assets exceeded liabilities by $99.0M (2017: $89.6M).

VincentCare's Consolidated Statement of Cash Flows showed a net cash inflow from operations of $15.0M for the year ended 30 June 2018 (2017: $3.6M). This included $9.0M in capital grants received from the Victorian State Government as part of their commitment towards the North Melbourne Redevelopment.

Cash used in its investing activities amounted to $25.2M for the year ended 30 June 2018 (2017: $33.7M). This was in part due to payments for property, plant and equipment $26.1M (2017: 2.9M) primarily related to the North Melbourne Redevelopment. Proceeds from the sale of financial assets for the year were $0.8M.

Cash received from borrowings amounted to $9.5M (2017: Nil).

A sustainable financial strategy has been developed and executed to support and enable implementation of the significant and healthy growth of VincentCare.

CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the Group during the financial year.

SUBSEQUENT EVENTS

Subsequent to year end, the Board resolved to increase the Group's investment commitment in the COMPASS Social Impact Bond by $1 million (total $1.5 million) and underwrite the Bond up to a cap of $0.9 million to ensure full subscription for the program to commence operations.

In addition, subsequent to year end, the Group has engaged in an active program to sell three properties located in Chapman Street, North Melbourne.

There were no other matters or circumstances that have arisen since 30 June 2018 that have significantly affected, or may significantly affect the consolidated operations in future financial years; the results of those operations in future financial years; or the consolidated state of affairs in future financial years.

FUTURE DEVELOPMENTS

The likely developments in the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would likely result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATIONS

The operations of the Group are not subject to any significant environmental regulation under either Commonwealth or State legislation. However, the Board believes it does have adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements.

INDEMNIFICATION OF OFFICERS AND AUDITORS

As a part of the ongoing funding arrangement with the Department of Health and Human Services, the Department pays a professional indemnity insurance premium to an insurer on behalf of the Group. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group.

The Group not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such by an officer or auditor.

COMMITTEE OF MANAGEMENT REPORT (CONTINUED)

MEETINGS OF COMMITTEE OF MANAGEMENT

The number of Committee of Management meetings held in the financial year attended by each committee member is detailed below:

Member	Eligible	Attended	Comment
Mr Michael Liddy	13	12	
Ms Maria Minto Cahill	13	12	
Ms Margaret Gearon	6	6	as Deputy State President
Ms Margaret Gearon	3	3	as Vice President
Mr Michael Cashman	6	6	as Vice President
Mr Josef Czyzewski	13	10	
Dr Maria Nguyen	13	8	
Ms Wendy Buchanan	13	13	
Ms Marie O'Brien	13	13	
Mr Kevin McMahon	5	6	as State President
Mr Kevin O'Callaghan	12	9	
Mr Herbert Portanier	12	9	
Mr Frank Purcell	13	8	
Mr Douglas Knez	3	3	
Mr Ian Hardy	9	6	
Mons Tony Ireland	1	1	Spiritual Advisor
Mr David Purchase	13	11	Legal Advisor
Mr Desmond Madden	12	10	
Very Rev Tony Kerin	11	7	Spiritual Advisor
Mr Ken Northwood	3	3	as Vice President
Mr Brendan Foley	2	2	as Treasurer
Mr Michael Quinn	4	4	as Deputy State President
Ms Rebecca Casar	4	4	Youth Co-Representative
Mr Andrew Black	4	4	Youth Co-Representative

BOARD COMMITTEES

The Committee of Management has established a number of sub-committees to support the Committee of Management's oversight responsibilities and ensure good governance through strategic and effective structures, processes and relationships.

These sub-committees serve as advisory Committees to the Board and do not have delegations of authority from the Committee of Management. The primary role of each sub-committee relates to the specific responsibilities as directed by the Committee of Management, and they work to an approved Terms of Reference, which is reviewed annually.

	Chairperson	Members
Finance Committee	Mr Brendan Foley	Mr Kevin McMahon, Mr Michael Quinn, Mr Josef Czyzewski
Governance Committee	Mr Ken Northwood	Mr Michael Quinn, Mr Kevin McMahon, Mr Brendan Foley, Mr David Purchase (Legal Advisor)
Audit, Risk & Compliance Committee	Ms Marcia O'Neill	Mr Brendan Foley, Ms Helen Lanyon (External), Mr Kevin McMahon, Mr Nick Madden (Member)

AUDITOR'S INDEPENDENCE DECLARATION

Signed in accordance with a resolution of the Committee of Management

Kevin McMahon
State President

Brendan Foley
Treasurer

Dated this 27th day of September 2018

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of St Vincent de Paul Society Victoria Inc.

Opinion

We have audited the financial report of St Vincent de Paul Society Victoria Inc. (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in accumulated funds of the association and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and Statement by the State Council.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Entity and Group's financial position as at 30 June 2018 and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the *Associations Incorporation Reform Act 2012* and the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.*

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 Group in accordance with 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 State Council is responsible for the other information. The other information comprises the information included in the Group's financial report for the year ended 30 June 2018, 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 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, 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.

The State Council's Responsibility for the Financial Report

The State Council is responsible for the preparation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Regime for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Deloitte.

In preparing the financial report, management is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The State Council are responsible for overseeing the Group'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.

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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management'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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants
Melbourne, 27 September 2018

DIRECTORS' DECLARATION

St Vincent de Paul Society
VICTORIA
good works

St Vincent de Paul Society Victoria Inc.
ABN: 28 911 702 061
RN: A0042727Y

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Email: info@svdp-vic.org.au
Website: www.vinnies.org.au

In the directors' opinion, the financial report as set out in the audited Financial Statements:

1. Presents a true and fair view of the financial position of the St Vincent de Paul Society Victoria Inc. as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012*.
2. At the date of this statement, there are reasonable grounds to believe that the St Vincent de Paul Society Victoria Inc. will be able to pay its debts as and when they become due and payable.

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

Kevin McMahon	**Brendan Foley**
State President	Treasurer

Dated this 27th day of September 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Note	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CONTINUING OPERATIONS					
Revenue					
Fundraising activities	2 (a)	11,855,012	11,391,384	10,543,893	11,063,455
Government grants	2 (b)	29,959,784	25,236,776	245,058	367,404
Sale of goods	2 (c)	44,012,135	40,406,090	43,487,906	39,875,124
Other revenue	2 (d)	9,916,778	8,187,168	2,215,027	2,171,665
Net gain on sale of property, plant and equipment	2 (e)	52,705	2,597,676	52,705	2,597,676
Total Revenue		**95,796,414**	**87,819,094**	**56,544,589**	**56,075,324**
Retail Costs	3 (a)	(28,783,331)	(25,357,054)	(26,926,968)	(23,671,841)
Gross Surplus		**67,013,083**	**62,462,040**	**29,617,621**	**32,403,483**
Non-Retail Expenditure					
Fundraising/Marketing	3 (b)	(2,048,234)	(1,656,457)	(2,048,234)	(1,656,457)
Administration	3 (c)	(6,737,482)	(6,565,249)	(7,737,482)	(6,565,250)
People in need services	3 (d)	(14,995,088)	(14,145,093)	(15,556,866)	(15,065,766)
Accommodation and support services	3 (e)	(29,601,333)	(27,256,111)	-	-
Other support services	3 (f)	(4,630,413)	(4,843,871)	(4,630,413)	(4,843,871)
Increase in depreciation arising from the change in useful lives of buildings, building improvements and fittings		(106,327)	(470,409)	-	-
Other Non-Operational expenses		-	(875,601)	-	-
Total Non-Retail Expenditure		(58,118,877)	(55,812,791)	(29,972,995)	(28,131,344)
Surplus/(Deficit) for year from continuing operations		**8,894,206**	**6,649,249**	**(355,374)**	**4,272,140**
Surplus/(Deficit) for the year		**8,894,206**	**6,649,249**	**(355,374)**	**4,272,140**
OTHER COMPREHENSIVE INCOME					
Changes in fair value of financial assets designated as at fair value not taken through profit or loss		915,062	1,947,940	743,777	(9,841)
Other comprehensive income for the year		**915,062**	**1,947,940**	**743,777**	**(9,841)**
Total comprehensive surplus for the year		**9,809,268**	**8,597,189**	**388,403**	**4,262,299**
Surplus/(Deficit) for the year attributable to:					
Members of the organisation		8,894,206	6,649,249	(355,374)	4,272,140
Total Comprehensive Surplus attributable to:					
Members of the organisation		9,809,268	8,597,189	388,403	4,262,299

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CURRENT ASSETS					
Cash and cash equivalents	6	23,415,869	27,904,317	14,889,688	18,637,165
Trade and other receivables	7	2,802,457	6,901,007	819,014	497,193
Inventories	8	859,942	329,566	859,942	300,753
Financial assets	9	4,000,000	3,548,080	-	-
Other assets	11	1,749,110	1,029,865	1,444,598	800,808
		32,827,378	**39,712,835**	**18,013,242**	**20,235,919**
Assets classified as held for sale	13	814,744	193,379	-	-
Total current assets		**33,642,122**	**39,906,215**	**18,013,242**	**20,235,919**
NON-CURRENT ASSETS					
Financial assets	9	87,172,833	85,842,171	22,579,521	20,984,501
Investments in controlled entities	10	-	-	52,645,810	52,645,810
Property, plant & equipment	12	68,135,077	39,581,787	24,494,626	22,862,919
Intangible assets	14	522,738	304,434	142,515	127,956
Total non-current assets		**155,830,648**	**125,728,392**	**99,862,472**	**96,621,186**
Total assets		**189,472,770**	**165,634,606**	**117,875,714**	**116,857,105**
CURRENT LIABILITIES					
Trade and other payables	15	6,952,400	5,975,449	2,257,397	2,093,652
Provisions	16	4,510,169	3,705,748	2,055,971	1,676,492
Other liabilities	17	8,418,670	5,721,384	127,094	107,491
Total current liabilities		**19,881,239**	**15,402,581**	**4,440,462**	**3,877,635**
NON-CURRENT LIABILITIES					
Provisions	16	692,690	642,452	389,660	322,281
Borrowings	17	9,500,000	-	-	-
Total non-current liabilities		**10,192,690**	**642,452**	**389,660**	**322,281**
Total liabilities		**30,073,929**	**16,045,033**	**4,830,122**	**4,199,916**
Net assets		**159,398,841**	**149,589,573**	**113,045,592**	**112,657,189**
ACCUMULATED FUNDS OF THE ASSOCIATION					
Accumulated funds		12,683,584	12,683,584	12,683,584	12,683,584
Reserves	18	9,727,298	9,270,389	3,248,255	2,462,631
Retained earnings		136,987,959	127,635,600	97,113,753	97,510,974
Total accumulated funds of the association		**159,398,841**	**149,589,573**	**113,045,592**	**112,657,189**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN ACCUMULATED FUNDS OF THE ASSOCIATION

FOR THE YEAR ENDED 30 JUNE 2018

	Reserves Note 18				
CONSOLIDATED ENTITY	**Accumulated Funds $**	**Retained Earnings $**	**Bequest Reserve $**	**Investments Revaluation Reserve $**	**Total $**
Balance at 01 July 2016	12,683,584	122,241,230	6,432,537	(364,968)	140,992,383
Surplus for the year	-	6,649,250	-	-	6,649,250
Other comprehensive income	-	-	-	1,947,940	1,947,940
Total comprehensive surplus	-	6,649,250	-	1,947,940	8,597,190
Transfer to/(from) bequest reserve	-	(1,254,880)	1,254,880	-	-
Balance at 30 June 2017	**12,683,584**	**127,635,600**	**7,687,417**	**1,582,972**	**149,589,573**
Surplus for the year	-	8,894,206	-	-	8,894,206
Other comprehensive income	-	-	-	915,062	915,062
Total comprehensive surplus	-	8,894,206	-	915,062	9,809,268
Transfer to/(from) bequest reserve	-	(41,847)	41,847	-	-
Transfer to accumulated funds		500,000	(500,000)	-	-
Balance at 30 June 2018	**12,683,584**	**136,987,959**	**7,229,264**	**2,498,034**	**159,398,841**

PARENT ENTITY	**Accumulated Funds $**	**Retained Earnings $**	**Bequest Reserve $**	**Investments Revaluation Reserve $**	**Total $**
Balance at 01 July 2016	12,683,584	94,493,714	1,275,254	(57,662)	108,394,890
Surplus for the year	-	4,272,140	-	-	4,272,140
Other comprehensive income	-	-	-	(9,841)	(9,841)
Total comprehensive surplus	-	4,272,140	-	(9,841)	4,262,299
Transfer to/(from) bequest reserve	-	(1,254,880)	1,254,880	-	-
Balance at 30 June 2017	**12,683,584**	**97,510,974**	**2,530,134**	**(67,503)**	**112,657,189**
Surplus for the year	-	(355,374)	-	-	(355,374)
Other comprehensive income	-	-	-	743,777	743,777
Total comprehensive surplus	-	(355,374)	-	743,777	388,403
Transfer to/(from) bequest reserve	-	(41,847)	41,847	-	-
Balance at 30 June 2018	**12,683,584**	**97,113,753**	**2,571,981**	**676,274**	**113,045,592**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Note	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from operating activities		90,565,659	68,090,576	42,482,194	40,169,265
Receipts from supporters		12,240,348	12,240,348	12,240,348	12,240,348
Payments to clients, suppliers and employees		(91,351,421)	(76,371,051)	(54,757,875)	(49,256,415)
Interest and dividend income received		4,955,180	4,420,230	1,447,520	1,674,986
Net cash provided by operating activities	**21 (b)**	**16,409,766**	**8,380,100**	**1,412,187**	**4,828,184**
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property, plant and equipment and other assets		62,274	2,597,676	52,705	2,597,676
Proceeds from sale of non current assets classified as held for sale		220,962	-	-	-
Proceeds on sale of financial assets		4,811,241	-	-	-
Receipt of funds held in escrow		-	1,000,000	-	-
Payments for property, plant and equipment		(30,326,272)	(3,860,266)	(4,221,255)	(981,399)
Payments for intangible assets		(315,177)	(49,465)	(139,871)	(39,281)
Purchase of investments		(851,243)	(34,922,307)	(851,243)	(3,140,768)
Payment for Security Deposit		(4,000,000)	-	-	-
Net cash used in investing activities		**(30,398,215)**	**(35,234,362)**	**(5,159,664)**	**(1,563,772)**
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from Borrowings		9,500,000	-	-	-
Net cash provided by financing activities		**9,500,000**	**-**	**-**	**-**
Net increase/(decrease) in cash and cash equivalents		(4,488,449)	(26,854,262)	(3,747,477)	3,264,412
Cash and cash equivalents at the beginning of the financial year		27,904,317	54,758,579	18,637,165	15,372,753
Cash and cash equivalents at the end of the financial year	**21 (a)**	**23,415,868**	**27,904,317**	**14,889,688**	**18,637,165**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

General information

The St Vincent de Paul Society Victoria Inc. (the Society) is a non government welfare agency incorporated under the *Associations Incorporation Reform Act 2012* and is domiciled in Australia.

The Society's registered office and its principal place of business are as follows:

Registered office	**Principal place of business**
43–45 Prospect Street	43–45 Prospect Street
Box Hill VIC 3128	Box Hill VIC 3128
Phone: 03 9895 5800	Phone: 03 9895 5800

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the requirements of the *Associations Incorporation Reform Act 2012*, Australian Accounting Standards – Reduced Disclosure Regime, and comply with other requirements of the law.

The financial report covers the consolidated entity being St Vincent de Paul Society Victoria Inc., VincentCare Victoria and its subsidiary VincentCare Community Housing and Society of St Vincent de Paul (Victoria). The consolidated entity in these financial statements will be referred to as 'the Group'. The parent entity is St Vincent de Paul Society Victoria Inc.

For the purposes of preparing the consolidated financial statements, the Group is a not-for-profit entity.

The financial report of St Vincent de Paul Society Victoria Inc. complies with Australian Accounting Standards to the extent noted above, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Due to the application of Australian specific provisions for not-for-profit entities contained only within the AIFRS, the financial reports and notes thereto are not necessarily compliant with International Accounting Standards.

The financial statements were authorised for issue by the directors on 7 September 2018.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Allowance for doubtful debts

Refer note 7 for the allowance for doubtful debt disclosure.

Long service leave provision

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave as at balance date:

- future increases in wages and salaries,
- future oncosts and rates, and
- experience of employee departures and periods of service.

Property

Refer note 12 for the impairment of property disclosure.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. In the 2016 Financial Year, the directors determined that the useful lives of certain buildings, building improvements and fittings should be shortened, due to the planned North Melbourne redevelopment.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, was to increase the depreciation expense in 2016 by $940,000, and for the following years, by the amounts shown below:

2017–2018	2016–2017
$106,000	$470,000

(a) Principles of consolidation

The consolidated financial statements of St Vincent de Paul Society Victoria Inc. comprised of St Vincent de Paul Society Victoria Inc., VincentCare Victoria and its subsidiary VincentCare Community Housing, and Society of St Vincent de Paul (Victoria).

A controlled entity is an entity controlled by St Vincent de Paul Society Victoria Inc. Control exists where St Vincent de Paul Society Victoria Inc. has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with St Vincent de Paul Society Victoria Inc. to achieve the objectives of St Vincent de Paul Society Victoria Inc. A list of controlled entities is contained in note 10.

All inter-entity balances and transactions have been eliminated on consolidation.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Revenue

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

Sale of goods

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

Government grants

Grants are principally of a recurrent or capital nature and intended to fund ongoing operations or asset acquisitions. Government grants are recognised as revenue when the entity gains control of the funds.

Income from grants is measured at the fair value of the contributions received or receivable and only when all the following conditions have been satisfied:

- the Group obtains control of the grant funds or the right to receive the grant funds;
- it is probable that the economic benefits comprising grants will flow to the Group; and
- the amount of the grant can be measured reliably.

Client contributions

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

Donations and bequests

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

Dividend and interest income

Dividend and distribution income from investments is recognised when the shareholder's or unitholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

The Group's policy for recognition of revenue from operating leases is described in note 1(o).

(c) Income tax

The Group is exempt under the provisions of the *Income Tax Assessment Act 1997*, and as such is not subject to income taxes at this time. Accordingly, no income tax has been provided for the Group in these financial statements.

(d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

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

(e) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Financial assets are classified into the following specified categories: 'term deposits', 'held-to-maturity investments', financial assets 'at fair value through profit or loss' (FVTPL), 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Term deposits

Investments in term deposits are measured on the cost basis.

Held-to-maturity investments

The directors have reviewed the Group's held-to-maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold those assets to maturity. The carrying amount of the held-to-maturity financial assets is $4M (2017: $3,548,080). Details of these assets are set out in note 9.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which AASB 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'net gain/loss arising on financial assets at FVTPL' line item.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Financial assets *(continued)*

AFS financial assets *(continued)*

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset that estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectable trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

i. Where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the consolidated statements of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(g) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are carried at deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that the settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Class of property, plant and equipment	Depreciation rates and method
Buildings	1% to 2.5% straight line
Building Improvements	10% straight line
Leasehold Improvements	Over the term of the lease
Furniture, Plant & Equipment	7% to 20% straight line
Computer Hardware & Software	33% straight line
Motor Vehicles	15% to 20% straight line

Artwork and antiquities are not depreciated.

Land is not a depreciable asset.

(h) Assets held for sale

Non-current assets and disposal groups are reclassified as Assets held for sale (Current Assets) if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales for such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving specific facilities, all of the assets and liabilities of those facilities are classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Intangible assets

Intangible assets are only recognised if they meet the identifiability criteria, that it is separable from the Group and arises from contractual or other legal rights. Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives.

Computer software

Computer software that is not integral to the operation of a related piece of hardware or plant is classified as an intangible asset (for example, accounting systems software), and is initially recognised at cost. Subsequent to initial recognition, computer software is carried at its cost less accumulated amortisation and impairment losses. Computer software has a finite life, and is amortised on a systematic basis over its estimated useful life, being on a straight-line basis over three years.

(j) Impairment

The carrying values of tangible and intangible assets 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 directors review a number of factors affecting tangible and intangible assets, including property, plant and equipment, 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 amount is expensed in the consolidated Statement of Profit or Loss and Other Comprehensive Income as an impairment expense.

As the future economic benefits of the Group's assets are not primarily dependent on their ability to generate net cash inflows, and if deprived of the asset, the Group would replace the asset's remaining future economic benefits, 'value in use' may be 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 future economic benefits of that asset could currently be obtained in the normal course of business.

Impairment losses are recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Where inventories are held for distribution or are to be consumed by the Group in providing services or aid at no or nominal charge, they are valued at the lower of cost and replacement cost.

(l) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(m) Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

(n) Trade and other payables

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

(o) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases with clients is recognised as client fees in profit or loss.

The Group did not enter into any finance lease arrangement as a lessor.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(p) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Sick leave is non-vesting and has not been provided for. Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(q) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current period.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Application of new and revised Accounting Standards

Amendments to Accounting Standards and new Interpretations that are mandatorily effective for the current year.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 July 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1057 *Application of Australian Accounting Standards* and AASB 2015-9 *Amendments to Australian Accounting Standards – Scope and Application Paragraph*
- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*
- AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*

New and revised Australian Accounting Standards in issue not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 9 *Financial Instruments*	1 January 2018
AASB 15 *Revenue from Contracts with Customers, 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15, 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15*	1 January 2018
AASB 16 *Leases*	1 January 2019
AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*	1 January 2018
AASB 1058 *Income of Not-for-Profit Entities, and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*	1 January 2019
AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*	1 January 2019
AASB 2008-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle*	1 January 2019
AASB 2008-2 *Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement*	1 January 2018
Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2019

The potential impact of the revised Standards/Interpretations on the Group's financial statements has not yet been determined.

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued.

Standard/amendment	Effective for annual reporting periods beginning on or after
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

NOTE 2. REVENUE AND OTHER INCOME

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
(a) FUNDRAISING ACTIVITIES				
Bequests	3,527,227	5,135,920	3,511,090	4,862,905
Capital Grants from trusts and foundations	1,201,000	-	-	-
Donations	7,126,785	6,255,464	7,032,803	6,200,550
	11,855,012	**11,391,384**	**10,543,893**	**11,063,455**
(b) GOVERNMENT GRANTS				
Councils/Conferences/Centres	245,058	367,404	245,058	367,404
Accommodation and support services	23,351,446	23,954,715	-	-
Capital Grants	5,524,904	-	-	-
Disability employment services	838,376	914,657	-	-
	29,959,784	**25,236,776**	**245,058**	**367,404**
(c) SALE OF GOODS				
Sales – retail stores	43,247,713	39,618,021	43,247,713	39,618,021
Sales – piety	240,193	257,103	240,193	257,103
Sales – disability employment services	524,229	530,966	-	-
	44,012,135	**40,406,090**	**43,487,906**	**39,875,124**
(d) OTHER REVENUE				
Client/resident fees	1,891,661	1,499,967	-	-
Interest and investment income	5,568,162	4,782,717	1,447,520	1,674,986
Sundry income	2,456,955	1,904,484	767,507	496,679
	9,916,778	**8,187,168**	**2,215,027**	**2,171,665**
(e) NET GAIN ON SALE OF PROPERTY, PLANT AND EQUIPMENT	**52,705**	**2,597,676**	**52,705**	**2,597,676**
	95,796,414	**87,819,094**	**56,544,589**	**56,075,324**

NOTE 3. SURPLUS

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
EXPENSES				
(a) RETAIL COSTS				
Employee salaries & benefits	12,582,051	11,060,081	11,272,096	9,748,418
Cost of goods sold – purchases/materials	2,605,170	2,111,920	2,595,624	2,096,116
Depreciation & amortisation	2,107,440	1,951,394	2,043,284	1,886,740
Net loss on disposal of property, plant and equipment	89	-	-	-
Other selling & administration costs	11,488,581	10,233,659	11,015,964	9,940,567
	28,783,331	**25,357,054**	**26,926,968**	**23,671,841**
(b) FUNDRAISING/MARKETING				
Employee salaries & benefits	1,087,447	890,492	1,087,447	890,492
Promotional expenses	535,713	460,127	535,713	460,127
Other administration costs	425,074	305,838	425,074	305,838
	2,048,234	**1,656,457**	**2,048,234**	**1,656,457**
(c) ADMINISTRATION				
Employee salaries & benefits	3,790,158	3,390,499	3,790,158	3,390,499
Depreciation & amortisation	334,128	326,658	334,128	326,658
Computer maintenance	646,214	664,755	646,214	664,755
Legal & professional fees	160,130	164,748	160,130	164,748
Motor vehicle costs	230,358	169,078	230,358	169,078
Insurance	67,287	64,412	67,287	64,412
Printing/Postage/Office supplies	131,684	150,267	131,684	150,267
Repairs & maintenance	93,278	53,090	93,278	53,090
Telephone	120,938	124,378	120,938	124,378
Training	113,924	60,412	113,924	60,412
Travel & Accommodation	94,978	79,180	94,978	79,180
Other – includes shared services costs	450,769	879,492	450,769	879,492
VincentCare North Melbourne Development	-	-	1,000,000	-
Board/State Council	503,636	438,280	503,636	438,281
	6,737,482	**6,565,249**	**7,737,482**	**6,565,250**
(d) PEOPLE IN NEED SERVICES				
Accommodation/Transport	1,874,380	1,226,887	1,874,380	1,805,988
Food vouchers	6,333,006	6,020,645	6,333,006	6,020,645
Food purchases	1,271,648	1,438,463	1,271,648	1,438,463
Household goods	2,159,545	2,452,559	2,159,545	2,452,559
Utilities	834,574	772,520	834,574	772,520
Medical	301,325	282,771	301,325	282,771
Education	1,161,633	746,254	1,161,633	746,254
Compassionate	45,592	-	45,592	-
Youth	4,924	54,495	4,924	54,495
Overseas projects	499,886	607,656	499,886	607,656
Bursary	1,080	409	1,080	409
Sundry	507,495	542,434	1,069,273	884,006
	14,995,088	**14,145,093**	**15,556,866**	**15,065,766**

NOTE 3. SURPLUS *(continued)*

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
EXPENSES *(continued)*				
(e) ACCOMMODATION & SUPPORT SERVICES				
Employee salaries & benefits	16,427,864	15,162,941	-	-
Depreciation & amortisation	934,998	913,624	-	-
Legal & professional fees	964,092	1,111,513	-	-
Utilities	385,576	408,330	-	-
Occupancy costs	3,122,953	2,886,319	-	-
Motor vehicle costs	79,155	84,348	-	-
Food services	156,207	216,277	-	-
Client services	6,117,347	3,999,543	-	-
Interest Paid – Other persons	24,573	-	-	-
Net loss on disposal of property, plant and equipment	10,850	141,420	-	-
Net loss arising on disposal of available for sale financial assets	(472,583)	(50,798)	-	-
Net unrealised foreign exchange losses	(354,934)	223,560	-	-
Other administration costs	2,205,235	2,159,034	-	-
	29,601,333	**27,256,111**	**-**	**-**
(f) OTHER SUPPORT SERVICES				
Accounting & payroll support	248,922	241,672	248,922	241,672
Conference support – employee salaries & benefits	1,697,798	1,593,033	1,697,798	1,593,033
Conference support – other	462,827	386,639	462,827	386,639
State, national, international councils	682,262	638,046	682,262	638,046
Conference operating costs	1,538,604	1,984,481	1,538,604	1,984,481
	4,630,413	**4,843,871**	**4,630,413**	**4,843,871**
	86,795,881	**79,823,835**	**56,899,963**	**51,803,183**
(g) OTHER ITEMS				
Surplus for the year from continuing operations has been determined after:				
(g) Expenses				
Depreciation and amortisation of property, plant & equipment				
- Depreciation of property, plant & equipment	3,583,925	3,767,892	2,589,547	2,405,146
- Amortisation of intangibles	236,414	222,134	125,312	135,195
Construction Costs Expensed	24,606	423	-	-
Net impairment of trade receivables	58,230	48,213	-	-
Other non operational expenses (i)	-	875,601	-	-
Rental expense on operating leases				
- Minimum lease payments	8,735,180	7,451,181	6,085,919	5,542,084
Employee salaries & benefits	33,887,520	30,504,013	18,096,421	15,864,114
Auditor's remuneration				
- Audit or review of the financial report	105,500	115,348	60,000	72,000

(i) The Group was not able to achieve the satisfactory transfer of the Box Hill ground lease to the acquirer of the six divested residential aged care facilities. Accordingly, under the terms of the sale agreement with the acquirer, $685,595 was refunded on 1 February 2017, along with $1,019,675 held in escrow.

NOTE 4. DISCONTINUED OPERATIONS

(a) Divestment and closure of residential aged care facilities

In 2016, the Group entered into a sale agreement to divest six of seven residential aged care facilities in Melbourne and regional Victoria. The proceeds of sale substantially exceeded the carrying amount of the related net assets and, accordingly, no impairment losses were recognised on the reclassification of these operations as held for sale. The divestment was completed on 1 February 2016, on which date control of the six residential aged care facilities passed to the acquirer.

On 16 December 2015, the Group decided to close Bailly House, the remaining residential aged care facility in North Melbourne, and entered into a sale agreement to dispose of Bailly House's 39 bed licences. The proceeds of sale substantially exceeded the carrying amount of the bed licences and, accordingly, no impairment loss was recognised. The closure of Bailly House was completed in April 2016 and the disposal of the bed licences was completed on 20 May 2016, on which date control of the bed licences passed to the acquirer.

The divestment and closure of the seven residential aged care facilities is consistent with the Group's long-term policy to fully focus on the core mission of supporting the most vulnerable and deeply disadvantaged, including elderly and other people who are homeless or at risk of homelessness.

NOTE 5. KEY MANAGEMENT PERSONNEL COMPENSATION

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
The aggregate compensation made to key management personnel of the Group.	2,650,956	2,640,495	**1,204,650**	**1,394,735**

Key management personnel includes the Chief Executive Officer (CEO) and those senior executive officers that report to the CEO. The Committee of Management and Directors act in an honorary capacity serving the mission of the Society. No members receive remuneration for their service, other than reimbursements for costs incurred in attending Society meetings and performing their duties. A number of Committee of Management members and Directors are also provided with the use of a Society motor vehicle, mobile phone, and a laptop.

NOTE 6. CASH AND CASH EQUIVALENTS

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CURRENT				
Cash on hand	40,650	38,120	30,650	27,670
Cash deposits with banks	5,645,063	5,998,342	4,637,311	5,021,930
Term deposits	17,730,156	21,867,855	10,221,727	13,587,565
	23,415,869	**27,904,317**	**14,889,688**	**18,637,165**

NOTE 7. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CURRENT				
Trade debtors[(i)]	622,901	573,206	136,271	125,289
Allowance for doubtful debts	(58,230)	(211,489)	-	-
	564,671	**361,717**	**136,271**	**125,289**
Other debtors	2,237,786	6,539,290	682,743	371,905
Total Receivables	**2,802,457**	**6,901,007**	**819,014**	**497,194**

(i) The average credit period on non-retail sale of goods and rendering of services is 30–60 days. No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the sale of goods and rendering of services, determined by reference to past default experience.

NOTE 7. TRADE AND OTHER RECEIVABLES *(continued)*

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS				
Balance at the beginning of the year	211,489	174,409	-	-
Impairment losses written off against allowance for doubtful debts	(211,489)	(11,133)	-	-
Impairment losses recognised on receivables	58,230	49,293	-	-
Impairment losses reversed	-	(1,080)	-	-
Balance at the end of the year	**58,230**	**211,489**	**-**	**-**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

NOTE 8. INVENTORIES

CURRENT				
Finished goods purchased	**859,942**	**329,566**	**859,942**	**300,753**

NOTE 9. FINANCIAL ASSETS

Held-to-maturity investments carried at amortised cost:				
CURRENT				
Term Deposits	-	3,548,080	-	-
Security Deposits(i)	4,000,000	-	-	-
	4,000,000	**3,548,080**	**-**	**-**
NON-CURRENT				
Shares in listed entities and investments in unlisted equity trusts	87,172,833	85,842,171	22,579,521	20,984,501
	91,172,833	**89,390,251**	**22,579,521**	**20,984,501**
Disclosed in the financial statements as:				
Current financial assets	4,000,000	3,548,080	-	-
Non-current financial assets	87,172,833	85,842,171	22,579,521	20,984,501
	91,172,833	**89,390,251**	**22,579,521**	**20,984,501**

(i) The Group established a Catholic Development Fund (CDF) term deposit of $4 million (2017: Nil) which has been pledged to secure borrowings of the Group. In addition to freehold land and buildings, the term deposit has been pledged as security for a line of credit facility with CDF to be used as short-term bridging finance for the North Melbourne Redevelopment pending the sale of existing freehold land assets in North Melbourne. The Group is not allowed to pledge this term deposit as security for other borrowings.

NOTE 10. INVESTMENTS IN CONTROLLED ENTITIES

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
NON-CURRENT				
Society of St Vincent de Paul (Victoria)	-	-	4,873	4,873
VincentCare Victoria	-	-	52,640,937	52,640,937
	-	-	52,645,810	52,645,810

	Country of Incorporation		Percentage Owned	Percentage Owned
PARENT ENTITY:				
St Vincent de Paul Society Victoria Inc.	Australia		-	-
CONTROLLED ENTITIES OF ST VINCENT DE PAUL SOCIETY VICTORIA INC.				
Society of St Vincent de Paul (Victoria)	Australia		100%	100%
VincentCare Victoria	Australia		100%	100%

NOTE 11. OTHER ASSETS

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CURRENT				
GST Recoverable	354,559	75,550	354,559	75,551
Prepayments	1,394,551	954,315	1,090,039	725,257
	1,749,110	**1,029,865**	**1,444,598**	**800,808**

NOTE 12. PROPERTY, PLANT & EQUIPMENT

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
LAND				
At cost	**15,661,188**	**15,626,105**	**7,940,350**	**7,940,350**
BUILDINGS				
At cost	15,816,358	16,330,106	10,096,471	10,096,471
Buildings under construction	411,538	914,432	411,538	914,432
Less accumulated depreciation	(7,214,773)	(6,961,875)	(3,877,510)	(3,625,121)
	9,013,123	**10,282,663**	**6,630,499**	**7,385,782**
BUILDING IMPROVEMENTS				
At cost	8,644,374	8,022,719	5,440,274	5,002,341
Less accumulated depreciation	(4,767,686)	(4,064,355)	(2,566,410)	(2,109,267)
	3,876,688	**3,958,364**	**2,873,864**	**2,893,074**
LEASEHOLD IMPROVEMENTS				
At cost	6,974,050	5,179,521	5,178,815	3,797,983
Less accumulated depreciation	(4,212,099)	(3,554,705)	(3,242,689)	(2,739,017)
	2,761,951	**1,624,816**	**1,936,126**	**1,058,966**
FURNITURE, PLANT & EQUIPMENT				
At cost	12,203,975	10,992,766	9,477,355	7,996,296
Less accumulated depreciation	(7,896,852)	(7,381,501)	(5,715,626)	(5,112,999)
	4,307,123	**3,611,265**	**3,761,729**	**2,883,297**
MOTOR VEHICLES				
At cost	2,847,545	2,711,922	2,666,868	2,531,245
Less accumulated depreciation	(1,869,512)	(2,367,411)	(1,691,142)	(2,189,041)
	978,033	**344,511**	**975,726**	**342,204**

NOTE 12. PROPERTY, PLANT & EQUIPMENT *(continued)*

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
COMPUTER HARDWARE				
At cost	2,234,676	1,860,159	1,816,751	1,516,690
Less accumulated depreciation	(1,658,948)	(1,396,307)	(1,442,874)	(1,159,899)
	575,728	**463,852**	**373,877**	**356,791**
ARTWORK & ANTIQUITIES				
At cost	**2,455**	**2,455**	**2,455**	**2,455**
CAPITAL WORK-IN-PROGRESS				
At cost	**30,958,788**	**3,667,756**	**-**	**-**
Total property, plant & equipment	**68,135,077**	**39,581,787**	**24,494,626**	**22,862,919**

RECONCILIATIONS

Reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current and previous financial years are set out below and on the following pages.

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
LAND				
Carrying amount at beginning of year	15,626,105	16,087,577	7,940,350	8,262,878
Additions	359,083	-	-	-
Disposals/Write-offs	-	(322,528)	-	(322,528)
Reclassified as held for sale (note 13)	(324,000)	(138,944)	-	-
Carrying amount at end of year	**15,661,188**	**15,626,105**	**7,940,350**	**7,940,350**
BUILDINGS				
Carrying amount at beginning of year	10,282,663	11,069,111	7,385,784	7,471,390
Additions	2,997,870	919,820	2,758,480	919,821
Transfer of capital WIP	(3,258,351)	(634,922)	(3,258,351)	(634,921)
Reclassifications	(3,011)	131	(3,011)	-
Disposals/Write-offs	-	(192,838)	-	(113,354)
Reclassified as held for sale (note 13)	(490,743)	(54,435)	-	-
Depreciation	(515,305)	(824,204)	(252,403)	(257,152)
Carrying amount at end of year	**9,013,123**	**10,282,663**	**6,630,499**	**7,385,784**
BUILDING IMPROVEMENTS				
Carrying amount at beginning of year	3,958,364	4,081,923	2,893,074	3,049,127
Additions	105,597	59,811	55,383	19,310
Transfer from capital WIP	549,847	639,665	416,339	308,625
Reclassifications	15,028	-	15,028	-
Disposals/Write-offs	(3,153)	(7,338)	(3,153)	(5,414)
Classified as held for sale (note 13)	-	-	-	-
Depreciation	(748,995)	(815,697)	(502,807)	(478,574)
Carrying amount at end of year	**3,876,688**	**3,958,364**	**2,873,864**	**2,893,074**

NOTE 12. PROPERTY, PLANT & EQUIPMENT *(continued)*

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
LEASEHOLD IMPROVEMENTS				
Carrying amount at beginning of year	1,624,816	2,029,528	1,058,966	1,318,708
Additions	83,213	48,894	74,529	47,922
Transfer from capital WIP	1,736,117	128,666	1,331,101	123,724
Reclassifications	-	(131)	-	-
Disposals/Write-offs	16,099	-	16,099	-
Depreciation	(698,292)	(582,141)	(544,569)	(431,388)
Carrying amount at end of year	**2,761,953**	**1,624,816**	**1,936,126**	**1,058,966**
FURNITURE, PLANT & EQUIPMENT				
Carrying amount at beginning of year	3,611,265	4,057,123	2,883,297	3,217,358
Additions	465,110	396,799	381,652	243,889
Transfer from capital WIP	1,353,565	198,406	1,300,971	139,899
Reclassifications	(29,664)	-	(28,765)	-
Disposals/Write-offs	(70,951)	(77,149)	(23,407)	(17,662)
Depreciation	(1,022,202)	(963,914)	(752,019)	(700,187)
Carrying amount at end of year	**4,307,123**	**3,611,265**	**3,761,729**	**2,883,297**
MOTOR VEHICLES				
Carrying amount at beginning of year	344,511	538,775	342,204	535,979
Additions	899,370	100,316	899,370	100,316
Disposals/Write-offs	(31,077)	(15,000)	(31,077)	(15,000)
Depreciation	(234,771)	(279,580)	(234,771)	(279,091)
Carrying amount at end of year	**978,033**	**344,511**	**975,726**	**342,204**
COMPUTER HARDWARE				
Carrying amount at beginning of year	463,852	502,154	356,791	428,772
Additions	384,883	242,209	235,934	164,928
Asset write-off	(546)	-	-	-
Transfer from capital WIP	90,587	23,394	83,718	23,394
Reclassifications	3,319	-	2,420	-
Disposals/Write-offs	(2,007)	(1,548)	(2,007)	(1,548)
Depreciation	(364,361)	(302,357)	(302,979)	(258,755)
Carrying amount at end of year	**575,727**	**463,852**	**373,877**	**356,791**
ARTWORK & ANTIQUITIES				
Carrying amount at beginning of year	2,455	2,980	2,455	2,455
Disposals/Write-offs	-	(525)	-	-
Carrying amount at end of year	**2,455**	**2,455**	**2,455**	**2,455**

NOTE 12. PROPERTY, PLANT & EQUIPMENT *(continued)*

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CAPITAL WORK-IN-PROGRESS				
Carrying amount at beginning of year	3,667,756	906,942	-	-
Additions	28,053,161	3,218,742	-	-
Transfer of capital WIP	(762,129)	(457,928)	-	-
Carrying amount at end of year	**30,958,788**	**3,667,756**	**-**	**-**
TOTAL PROPERTY, PLANT & EQUIPMENT				
Carrying amount at beginning of year	39,581,787	39,276,116	22,862,919	24,286,667
Additions	33,348,287	4,986,589	4,405,348	1,496,186
Transfer from buildings capital WIP	(265,760)	(102,298)	(126,221)	(39,280)
Reclassifications	(14,328)	-	(14,328)	-
Disposals/Write-offs	(91,635)	(616,926)	(43,545)	(475,506)
Classified as held for sale (note 13)	(814,743)	(193,379)	-	-
Expensed to Statement of Profit and Loss	(24,605)	(423)	-	-
Depreciation	(3,583,926)	(3,767,892)	(2,589,547)	(2,405,146)
Carrying amount at end of year	**68,135,077**	**39,581,787**	**24,494,626**	**22,862,919**

An independent valuation of the Group's land and buildings is usually performed every three years.

Parent Entity:
The latest valuation was performed in the 2018 financial year by JLT.

VincentCare Victoria:
An independent valuation of VincentCare Victoria's land and buildings was performed by Charter Keck Cramer in the 2016 financial year. An impairment loss of $261,646 was recognised in respect of land and buildings.

In accordance with the accounting policy Note 1(j), land and buildings have not been revalued to the current market value.

NOTE 13. ASSETS CLASSIFIED AS HELD FOR SALE

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
Land held for sale (i)	324,000	138,944	-	-
Building held for sale (i)	490,744	54,435	-	-
	814,744	**193,379**	**-**	**-**

(i) The Company intends in the next 12 months to dispose of the land and buildings at 59-61 Yuilles Road, Mornington which it no longer utilises. On reclassification of the property as held for sale at reporting date, no impairment loss was recognised. The land and buildings recognised as held for sale at 30 June 2017 were sold for $232,000 and settled on 2 August 2017.

NOTE 14. INTANGIBLE ASSETS

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
COMPUTER SOFTWARE & IT DEVELOPMENT				
At cost	2,194,699	1,868,430	807,302	795,879
Less accumulated amortisation	(1,671,961)	(1,563,996)	(664,787)	(667,923)
Total Intangible Assets	**522,738**	**304,434**	**142,515**	**127,956**
RECONCILIATIONS				
Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the current and previous financial year are set out below:				
COMPUTER SOFTWARE & IT DEVELOPMENT				
Carrying amount at beginning of year	304,434	414,087	127,956	223,870
Additions	207,050	10,183	31,741	-
Disposals	(16,322)	-	(16,322)	-
Reclassifications	(1,770)	-	(1,770)	
Transfer from Capital WIP	265,761	102,298	126,222	39,281
Amortisation	(236,415)	(222,134)	(125,312)	(135,195)
Carrying amount at end of year	**522,738**	**304,434**	**142,515**	**127,956**
TOTAL INTANGIBLE ASSETS				
Carrying amount at beginning of year	304,434	414,087	127,956	223,870
Additions	207,050	10,183	31,741	-
Disposals	(16,322)	-	(16,322)	-
Reclassifications	(1,770)	-	(1,770)	-
Transfer from Capital WIP	265,761	102,298	126,222	39,281
Amortisation	(236,415)	(222,134)	(125,312)	(135,195)
Carrying amount at end of year	**522,738**	**304,434**	**142,515**	**127,956**

NOTE 15. TRADE AND OTHER PAYABLES

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CURRENT				
Unsecured				
Trade creditors (i)	1,731,016	1,062,174	1,129,172	702,734
Accrued creditors	4,646,538	1,870,722	701,994	777,011
Other creditors	574,846	2,858,429	426,231	613,907
GST payable	-	184,124	-	-
	6,952,400	**5,975,449**	**2,257,397**	**2,093,652**

(i) The average credit period on purchases of goods is 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTE 16. PROVISIONS

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CURRENT				
Employee benefits (i)	**4,510,169**	**3,705,748**	**2,055,971**	**1,676,492**
NON-CURRENT				
Employee benefits	692,690	642,452	389,660	322,281
Aggregate Employee Entitlement Liability	**5,202,859**	**4,348,200**	**2,445,631**	**1,998,773**

(i) The Group's current provision for employee benefits includes $4,510,169 (Parent Entity: $2,055,971) of annual leave and vested long service leave entitlements accrued (2017: Group $3,705,748; Parent Entity $1,676,492).

NOTE 17. OTHER LIABILITIES

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
CURRENT				
Unsecured				
Grants in advance	7,658,761	4,880,436	-	-
Deferred lease liability	759,909	840,948	127,094	107,491
	8,418,670	5,721,384	127,094	107,491
NON-CURRENT				
Secured				
Loan	**9,500,000**	**-**	**-**	**-**

During the year the Company established a line of credit facility with the Catholic Development Fund as short-term bridging finance for the North Melbourne Redevelopment pending the sale of existing freehold land assets in North Melbourne. The loan facility is secured by a mortgage over certain freehold land and buildings held by VincentCare Victoria and a $4 million term deposit. At reporting date, the interest rate on the loan is 3.49% per annum.

NOTE 18. RESERVES

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
Bequest Reserve	7,229,264	7,687,417	2,571,981	2,530,134
Investments Revaluation Reserve	2,498,034	1,582,972	676,274	(67,503)
	9,727,298	**9,270,389**	**3,248,255**	**2,462,631**
18.1 BEQUEST RESERVE				
Balance at beginning of year	7,687,417	6,432,537	2,530,134	1,275,254
Transfer to reserve	41,847	1,374,749	41,847	1,374,749
Bequest funds applied	(500,000)	(119,869)	-	(119,869)
Balance at end of year	**7,229,264**	**7,687,417**	**2,571,981**	**2,530,134**

The Group receives bequests where the bequestor has nominated a specific purpose or service to which the funds are to be directed. In these instances the Group establishes a Reserve to recognise the unapplied funds from bequests of this nature. The Reserve is supported by the Donations and Bequest Register that details the breakdown of the Reserve.

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
18.2 INVESTMENTS REVALUATION RESERVE				
Balance at beginning of year	1,582,972	(364,968)	(67,503)	(57,662)
Net (loss)/gain arising on revaluation of available-for-sale financial assets	915,062	1,947,940	743,777	(9,841)
Realisation of capital profits	-	-	-	-
Balance at end of year	**2,498,034**	**1,582,972**	**676,274**	**(67,503)**

Represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income.

NOTE 19. OPERATING LEASE ARRANGEMENTS

(a) THE GROUP AS LESSEE

Operating leases relate to leases of property, motor vehicles and equipment with lease terms of between 1 and 8 years. All operating lease contracts contain clauses for annual market or CPI rental reviews, except for property leases with fixed rental increases, motor vehicle leases and equipment leases. The Group does not have an option to purchase the leased property, motor vehicles and equipment at the expiry of the lease periods.

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
Within one year	7,176,541	6,464,328	5,457,403	4,835,275
Later than one year but not later than five years	12,550,695	11,430,006	10,222,258	8,628,311
Later than five years	1,140,509	377,887	1,140,509	333,183
	20,867,745	**18,272,221**	**16,820,170**	**13,796,769**
Representing				
Non-cancellable operating leases	**20,867,745**	**18,272,221**	**16,820,170**	**13,796,769**

NOTE 19. OPERATING LEASE ARRANGEMENTS *(continued)*

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
(b) THE GROUP AS LESSOR				
Operating leases relate to properties headleased by the Group and sub-leased to clients with lease terms of one year. All operating lease contracts are in accordance with the Residential Tenancies Act 1997. The lessee does not have an option to purchase the property at the expiry of the lease period.				
Within one year	300,925	336,337	-	-
	300,925	336,337	-	-
Representing				
Non-cancellable operating lease	**300,925**	**336,337**	**-**	**-**

NOTE 20. COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
(a) LEASE COMMITMENTS				
Non-cancellable operating lease commitments are disclosed in-note 19 to the financial statements.				
(b) OTHER EXPENDITURE COMMITMENTS				
Capital expenditure commitments contracted for:				
Building and refurbishment projects	17,459,207	41,053,396	259,345	445,420
	17,459,207	**41,053,396**	**259,345**	**445,420**
Payable				
Within one year	17,459,206	41,053,396	259,345	445,420
Later than one year but not later than five years	-	-	-	-
	17,459,206	**41,053,396**	**259,345**	**445,420**

NOTE 21. NOTES TO THE STATEMENT OF CASH FLOWS

	CONSOLIDATED ENTITY 2018 $	CONSOLIDATED ENTITY 2017 $	PARENT ENTITY 2018 $	PARENT ENTITY 2017 $
(a) RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at the end of the financial period as shown in the Statements of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:				
Cash on hand	40,650	38,120	30,650	27,670
Cash deposits with banks	5,645,063	5,998,342	4,637,311	5,021,930
Bank term deposits	17,730,156	21,867,855	10,221,727	13,587,565
Balance per Statement of Cash Flows	**23,415,869**	**27,904,317**	**14,889,688**	**18,637,165**
(b) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH SURPLUS FOR THE YEAR				
Surplus for the year	8,894,206	6,649,250	(355,374)	4,272,140
Non-cash flows and non-operating activities in total comprehensive income				
Depreciation of non-current assets	3,583,925	3,767,892	2,589,547	2,405,146
Amortisation of intangible assets	236,415	222,134	125,312	135,195
Construction costs expensed	24,606	423	-	-
Net gain on sale of property, plant and equipment	(41,766)	(2,456,256)	(52,705)	(2,597,676)
Net loss arising on disposal of available-for-sale financial assets	(472,583)	(53,501)	-	-
Net unrealised foreign exchange losses	(354,934)	235,457	-	-
Changes in assets and liabilities				
Decrease/(Increase) in receivables	4,098,551	(4,736,545)	(321,820)	606,946
Decrease/(increase) in prepayments	(719,243)	204,658	(643,788)	271,417
Increase in inventories	(530,379)	(87,016)	(559,191)	(69,881)
Increase/(decrease) in provisions	854,653	(87,773)	446,859	(116,666)
Increase/(decrease) in payables and other liabilities	836,315	4,721,377	183,347	(78,437)
Cash flows from operations	**16,409,766**	**8,380,100**	**1,412,187**	**4,828,184**

NOTE 22. FINANCIAL INSTRUMENTS

Fair Values

The fair values of listed investments have been valued at the quoted market bid price at reporting date adjusted for transaction costs expected to be incurred. For other assets and liabilities, the fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate fair values and carrying amounts of the Group's financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

Aggregate fair values and carrying amounts of the Group's financial assets and financial liabilities at reporting date.

	2018 CARRYING AMOUNT $	2018 FAIR VALUE $	2017 CARRYING AMOUNT $	2017 FAIR VALUE $
CONSOLIDATED ENTITY				
Financial assets				
Cash	23,415,869	23,415,869	27,904,317	27,904,317
Trade and other receivables	2,860,686	2,802,457	7,112,497	6,901,007
Other financial assets	91,172,833	91,172,833	89,390,251	89,390,251
	117,449,388	**117,391,159**	**124,407,065**	**124,195,575**
Financial liabilities				
Trade and other payables	6,952,400	6,952,400	5,975,449	5,975,449
	6,952,400	**6,952,400**	**5,975,449**	**5,975,449**
PARENT ENTITY				
Financial assets				
Cash	14,889,688	14,889,688	18,637,165	18,637,165
Trade and other receivables	819,014	819,014	497,194	497,194
Other financial assets	22,579,521	22,579,521	20,984,501	20,984,501
	38,288,223	**38,288,223**	**40,118,860**	**40,118,860**
Financial liabilities				
Trade and other payables	2,257,397	2,257,397	2,093,652	2,093,652
	2,257,397	**2,257,397**	**2,093,652**	**2,093,652**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 23. RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The parent entity is St Vincent de Paul Society Victoria Inc. (the Society).

During the financial year:

- The Society contributed $nil (2017: $311,705) of funds raised from the 2017 Vinnies CEO Sleepout to VincentCare Victoria after deducting expenses incurred;
- The Society donated $1,000,000 (2017: nil) to VincentCare Victoria towards the redevelopment of the North Melbourne property; and
- The Society contributed $561,777 (2017: $599,885) to VincentCare Victoria for the HomeDirect program.

The net amount payable to VincentCare Victoria by the Society is $nil (2017: $62,873).

NOTE 24. ECONOMIC DEPENDENCY

A significant portion of the revenue of the subsidiary, VincentCare Victoria, is provided by the Federal and State Governments in the form of grants and subsidies.

NOTE 25. REMUNERATION OF AUDITORS

The remuneration of auditors is disclosed in note 3. During the year there was also work performed as consultants for the organisation for $12,675.

The auditor of St Vincent de Paul Society Victoria Inc. is Deloitte Touche Tohmatsu.

NOTE 26. SUBSEQUENT EVENTS

Subsequent to year end, the Board resolved to increase the Group's investment commitment in the COMPASS Social Impact Bond by $1 million (total $1.5 million) and underwrite the Bond up to a cap of $0.9 million to ensure full subscription for the program to commence operations.

In addition, subsequent to year end, the Group has engaged in an active program to sell three properties located in Chapman Street, North Melbourne.

There were no other matters or circumstances that have arisen since 30 June 2018 that have significantly affected, or may significantly affect the consolidated operations in future financial years; the results of those operations in future financial years; or the consolidated state of affairs in future financial years.

St Vincent de Paul Society
VICTORIA
good works

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