St Vincent de Paul Society (Canberra/Goulburn) and its consolidated entity
ABN 16 732 852 554
General purpose (RDR) financial report for the year ended 30 June 2018

Contents

Committee members' report

Your committee members submit the financial report of the Territory Council of the St Vincent de Paul Society (Canberra/Goulburn), hereinafter referred to as "St Vincent de Paul Society (Canberra/Goulburn) and its consolidated entity" or the "Society".

Committee members

The names of committee members throughout the year and at the date of this report are:

Name	Status
Warwick Fulton	President
Pat Farrelly	Treasurer (Resigned: 27 November 2017)
Bernard Meadley	Treasurer (Commenced: 27 November 2017) and Vice President Centres
Stewart Chapman	Vice President Conferences
Suhasini Sumithra	Vice President Youth
Edward Smith	Vice President Special Works and Regional President North Canberra
John Vance	Spiritual Advisor
Christine Mabbott	Regional President Far South Coast
Mary Donnelly	Regional President Western Region
Raymond Akhurst	Regional President Molonglo
John Feint	Regional President Tuggeranong/Monaro
Patricia Smith	Regional President Goulburn (Commenced: 08 September 2017)

Other individuals relevant in governance to the Territory Council

The names of other individuals relevant in governance to the Territory Council throughout the year and at the date of this report are:

Name	Status
Justin Hyland	Legal Counsel (Resigned: 09 February 2018)
Branka van der Linden	Legal Counsel (Commenced: 09 February 2018)
Andrew Rice	Twinning & Overseas Development
Cornelius Barend Johannes Van Wyk	Chief Executive Officer

Principal activities

The principal activities of the Society during the financial year were:

- to follow the teaching and charism of Blessed Frederic Ozanam within the Roman Catholic Archdiocese of Canberra and Goulburn.
- to facilitate the spiritual welfare of members by sharing their skills and talents, and what has been given to the Society, on a person to person basis with those in need.
- to seek to cooperate in shaping a more just, compassionate Australia and to share the Society's resources with their twinned countries, (being India, Indonesia and Thailand).
- to work with and assist people in need whilst respecting their dignity, sharing our hope and encouraging them to take control of their own future.
- to promote informed discussion on the plight of those in need and to advocate improved services and facilities for them.
- to liaise with and share resources with other charitable and benevolent organisations with the objective of assisting those people in need.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Society during the year.

Committee members' report (continued)

Significant events after the reporting period

There have been no significant events occurring after the reporting period which may affect either the Society's operations or results of those operations or the Society's state of affairs.

Review of operating result

The surplus from the ordinary activities amounted to $812,238 (2017: $1,368,489).

Signed in accordance with a resolution of the members of the committee.

Warwick Fulton
President
12 September 2018

Bernard Meadley
Treasurer
12 September 2018

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Auditor's Independence Declaration to the Members of St Vincent de Paul Society Canberra/Goulburn

In relation to our audit of the financial report of St Vincent de Paul Society Canberra/Goulburn for the financial year ended 30 June 2018, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Anthony Ewan
Partner
Canberra
12 September 2018

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2018

	Notes	2018 $	2017 $
Revenue			
Government grants	4.1	3,991,469	4,436,467
Sale of goods	4.1	9,155,284	8,254,808
Client contributions	4.1	1,200,124	1,108,508
Fundraising income	4.1	2,017,200	1,892,600
Other revenue	4.1	250,668	370,951
Total revenue from operating activities		**16,614,745**	**16,063,334**
Other income	4.2	4,436	54,044
Operating expenses			
Centres of charity		(5,547,140)	(5,023,021)
Administration		(3,152,895)	(2,453,087)
Fundraising		(481,030)	(490,784)
		(9,181,065)	**(7,966,892)**
Total funds available for community services		**7,438,116**	**8,150,486**
Community services expenses			
People in need services		(2,930,170)	(2,460,044)
Homeless and mental health services		(3,506,279)	(4,200,953)
		(6,436,449)	**(6,660,997)**
Levies paid to the National Council - related party		(189,429)	(121,000)
Surplus for the year		**812,238**	**1,368,489**
Other comprehensive income		-	-
Total comprehensive income for the year		**812,238**	**1,368,489**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2018

	Notes	2018 $	2017 $
Assets			
Current assets			
Cash and short-term deposits	6	6,835,932	5,945,503
Trade and other receivables	7	341,778	252,404
Inventory	8	30,795	32,128
Investment in shares		3,617	-
Other assets	9	301,783	269,570
Total current assets		7,513,905	6,499,605
Non-current assets			
Property, plant and equipment	10	10,832,414	10,503,928
Total non-current assets		10,832,414	10,503,928
Total assets		**18,346,319**	**17,003,533**
Liabilities			
Current liabilities			
Trade and other payables	11	1,192,450	791,106
Provisions and employee benefit liabilities	12	843,008	784,504
Total current liabilities		2,035,458	1,575,610
Non-current liabilities			
Provisions and employee benefit liabilities	12	251,308	180,608
Total non-current liabilities		251,308	180,608
Total liabilities		**2,286,766**	**1,756,218**
Net assets		**16,059,553**	**15,247,315**
Funds			
Accumulated funds		12,252,306	11,440,068
Reserves	13	3,807,247	3,807,247
Total funds		**16,059,553**	**15,247,315**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in funds

For the year ended 30 June 2018

	Accumulated funds	Asset revaluation reserve (Note 13)	General reserve (Note 13)	Total funds
	$	$	$	$
At 1 July 2017	**11,440,068**	**3,806,419**	**828**	**15,247,315**
Surplus for the year	812,238	-	-	812,238
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	812,238	-	-	812,238
At 30 June 2018	**12,252,306**	**3,806,419**	**828**	**16,059,553**
At 1 July 2016	**10,071,579**	**3,806,419**	**828**	**13,878,826**
Surplus for the year	1,368,489	-	-	1,368,489
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	1,368,489	-	-	1,368,489
At 30 June 2017	**11,440,068**	**3,806,419**	**828**	**15,247,315**

The above consolidated statement of changes in funds should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2018

	Note	2018 $	2017 $
Operating activities			
Receipts from operating activities		18,056,855	17,601,454
Payments to suppliers and employees		(16,437,445)	(15,653,676)
Interest income		47,413	66,304
Net cash flows from operating activities		**1,666,823**	**2,014,082**
Investing activities			
Proceeds from sale of property, plant and equipment		96,769	54,044
Purchase of property, plant and equipment		(873,163)	(287,074)
Net cash flows used in investing activities		**(776,394)**	**(233,030)**
Financing activities			
Payment of borrowings		-	(50,000)
Net cash flows used in financing activities		**-**	**(50,000)**
Net increase in cash and cash equivalents		890,429	1,731,052
Cash and cash equivalents at 1 July		5,945,503	4,214,451
Cash and cash equivalents at 30 June	6	**6,835,932**	**5,945,503**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

For the year ended 30 June 2018

1. Society information

The consolidated financial report of the not-for-profit company St Vincent de Paul Society (Canberra/Goulburn) and its consolidated entity (the "Society") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 12 September 2018.

The St Vincent de Paul Society, working in Australia since 1854, is an independent, volunteer based, charitable organisation operating within the ethos of the Catholic Church. The organisation comprises separate autonomous legal entities in each State and Territory plus the National body who work together as members of the International Confederation of the St Vincent de Paul Society, originating in Paris in 1833. Our mission states that "The Society is a lay Catholic organisation that aspires to live the gospel message by serving Christ in the poor with love, respect, justice, hope and joy, and by working to shape a more just and compassionate society."

The consolidated financial report covers the activities of the Territory Council of Canberra-Goulburn of the Society of St Vincent de Paul. These activities are conducted by the Society of St Vincent de Paul Pty Limited and St Vincent de Paul Society (Canberra/Goulburn) Inc. This financial report represents the consolidated financial information of both the Society of St Vincent de Paul Pty Limited and St Vincent de Paul Society (Canberra/Goulburn) Inc. (an association incorporated in the ACT under the *Associations Incorporation Act 1991.*) The Society of St Vincent de Paul Pty Ltd does not undertake any activities in it's own right but enters into certain liabilities as bare trustee for St Vincent de Paul Society (Canberra/Goulburn). The financial information included in this report therefore represents the financial results and financial position of St Vincent de Paul Society (Canberra/Goulburn) as the parent entity.

The registered office and principal place of business of the Society is St. Vincent de Paul Society, 15 Denision Street, Deakin ACT 2600.

The nature of operations and principal activities of the Society are described in the committee members' report.

2. Significant accounting policies

2.1 Basis of preparation

Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. Australian Accounting Standards contain requirements specific to not-for-profit entities, including standards AASB 116 *Property, Plant and Equipment*, AASB 138 *Intangible Assets*, AASB 136 *Impairment of Assets* and AASB 1004 *Contributions*.

These financial statements for the year ended 30 June 2018 are the first financial statements that the Society has prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDRs). The financial statements are prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for freehold and leasehold land and buildings that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar ($) except when otherwise indicated.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Significant accounting policies (continued)

2.2 Changes in accounting policies, disclosures, standards and interpretations

New and amended standards and interpretations

The new and amended Australian Accounting Standards and AASB Interpretations that apply for the first time in 2017/2018 do not materially impact the financial statements of the Society.

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Society for the annual reporting year ended 30 June 2018. The committee members have not early adopted any of these new or amended standards or interpretations. The committee members are in the process of assessing the impact of the applications of AASB 9 *Financial Instruments* (effective 1 January 2018), AASB 15 *Revenue from Contracts with Customers* (effective 1 January 2019 for not-for-profit entities), AASB 1058 *Income of Not-For-Profit Entities* (effective 1 January 2019), and AASB 16 *Leases* (effective 1 January 2019) and its amendments to the extent relevant to the financial statements of the Society.

2.3 Summary of significant accounting policies

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Society and its subsidiaries as at 30 June 2018. Control is achieved when the Society is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Society controls an investee if, and only if, the Society has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Society re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Society obtains control over the subsidiary and ceases when the Society loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Society gains control until the date the Society ceases to control the subsidiary.

If the Society loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

b) Current versus non-current classification

The Society presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Significant accounting policies (continued)

b) Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Society classifies all other liabilities as non-current.

c) Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at bank and on hand and deposits at call or with an original maturity of a specific term.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

d) Financial instruments

(i) Financial assets

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

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.

(ii) Financial liabilities

Financial liabilities, including trade and other payables, are recognised initially at fair value and carried at amortised cost. Due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Society prior to the end of the financial year that are unpaid and arise when the Society becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(iii) Impairment

At each reporting date the committee members assess whether there is objective evidence that a financial instrument has been impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty. Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Significant accounting policies (continued)

e) Property, plant and equipment

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

Any property, plant and equipment donated to the Society or acquired at nominal cost is recognised at fair value at the date the Society obtains control of the assets.

Property

Freehold and leasehold land and buildings are measured on the fair value basis. Changes in values are reflected directly in the asset revaluation reserve. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the consolidated statement of profit or loss and other comprehensive income. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. Valuations are performed every three years, or sooner should there be a significant change in market conditions, to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same class of asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same class of assets recognised in the asset revaluation reserve.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold and leasehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, except leasehold improvements, which are over the term of the lease.

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

Buildings	2.50%
Furniture, plant and equipment	20%
Motor vehicles - cars	20%
Leasehold improvements and make good	Lower of useful lives and life of the lease

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Significant accounting policies (continued)

e) Property, plant and equipment (continued)

Impairment

An asset's residual value and useful life is reviewed, and adjusted if appropriate, at each reporting date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the consolidated statement of profit or loss and other comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

At each reporting date, the committee members review a number of factors affecting plant and equipment, including their carrying values, to determine if these assets may be impaired. If an impairment indicator exists, the recoverable amount of the asset, being the higher of the asset's 'fair value less costs to sell' and 'value in use' is compared to the carrying value. Any excess of the assets carrying value over its recoverable amount is expensed in the consolidated statement of profit or loss and other comprehensive income as an impairment expense.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use.

f) Fair value measurement

The Society measures non-financial assets such as freehold and leasehold land and buildings, at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Society.

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

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

The Society uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

g) Inventories

Inventories are valued at the lower of cost and net realisable value. Where inventories are held for distribution or are to be consumed by the Society in providing services or aid at no or nominal charge, they are valued at the lower of cost and replacement cost. Stock on hand is made up of gift cards purchased but not yet issued to clients as at the reporting date.

h) Investment in shares

The investment in shares are initially recognised at cost and are subsequently measured at fair value at the reporting date. The loss or gains from the revaluation are recorded in profit or loss.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Significant accounting policies (continued)

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Society as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Society is classified as a finance lease.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

j) Provisions and employee benefit liabilities

General

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Society expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Make good provisions

Costs required to return certain leased premises to their original condition as set out in the lease agreements are recognised as a provision in the financial statements. The provision has been calculated as an estimate of future costs and discounted to a present value.

Employee benefits

Employee benefits comprise salaries and wages, annual, accumulating sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months of balance date are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Significant accounting policies (continued)

j) Provisions and employee benefit liabilities (continued)

Employee benefits (continued)

The Society pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the consolidated statement of profit or loss and other comprehensive income when they are due. The Society has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

ACT LSL Portable Provision
Employee benefits in relation to long service leave accruals for ACT-based staff since 1 July 2010 are not accrued in the accounts and are charged as expenses to the extent of the payment required under the ACT Community Sector Portable Long Service Scheme.

k) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sales of goods comprises revenue earned from the sale of goods donated and purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

Government grants

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

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

- The Society 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 Society; and
- The amount of the grant can be measured reliably.

Contributions/Fees for services

Contributions/fees for services from or on behalf of people we assist who have the capacity to pay, are recognised when the service is provided.

Donations

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

Donated goods

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

Interest income

Interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other revenue in the consolidated statement of profit or loss and other comprehensive income.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

2. Significant accounting policies (continued)

k) Revenue (continued)

Proceeds of non-current asset sales

The net profit from the sale of an asset is included as gains when control of the asset passes to the buyer. The profit or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and net proceeds.

Bequests

Bequests are recognised when the legacy is received. Revenues from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Society becomes legally entitled to the shares or property.

l) Taxes

Income and fringe benefits tax

The Society is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The Society holds deductible gift recipient status.

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

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the consolidated statement 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 Australian Taxation Office is classified as operating cash flows.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

3. Critical accounting judgements, estimates and assumptions

The committee members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Society.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Society based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

Revaluation of property, plant and equipment

The Society measures the Freehold and leasehold land and buildings at revalued amounts, with changes in fair value being recognised in OCI. The properties were valued by reference to transactions involving properties of a similar nature, location and condition. Freehold and leasehold land and buildings are revalued every 3 years. Next valuation is due June 2019.

Make good provision

A provision has been recognised for the present value of the anticipated cost of future restoration of leased premises. The provision includes future cost estimates of restoring the premises to its original state. Uncertainties may result in future actual expenditure differing from the amount currently provided. The provision recognised is periodically reviewed based on the facts and circumstances available at the time.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

4. Revenue and other income

4.1 Revenue

	2018	2017
	$	$
Government grants		
People in need services	1,408,595	1,252,515
Mental health and homeless services	2,582,874	3,183,952
	3,991,469	**4,436,467**
Sale of goods		
Sales - centres of charity	9,132,462	8,236,325
Sales - other	22,822	18,483
	9,155,284	**8,254,808**
Client contributions		
Homeless and mental health services	730,048	784,603
National Disability Insurance Scheme Contributions	470,076	323,905
	1,200,124	**1,108,508**
Fundraising		
Donations and appeals	**2,017,200**	**1,892,600**
Other revenue		
Interest income	47,413	66,304
Bequests	91,991	196,897
Sundry income	111,264	107,750
	250,668	**370,951**
Total revenue	**16,614,745**	**16,063,334**

4.2 Other income

	2018	2017
	$	$
Net gain on disposal of property, plant and equipment	**4,436**	**54,044**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

5. Expenses

Surplus for the year has been determined after:

	2018	2017
	$	$
Depreciation of non-current assets	452,344	494,247
Employee benefits expense	8,182,700	7,538,226
Defined contribution: superannuation expenses	1,012,990	929,774
Rental expense on operating leases	1,223,227	1,115,682
Bad debts expense	57,511	108,909

6. Cash and short-term deposits

	2018	2017
	$	$
Cash on hand	166,722	148,189
Cash at bank	2,969,210	3,197,314
Short-term deposits	3,700,000	2,600,000
	6,835,932	**5,945,503**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the above.

7. Trade and other receivables

	2018	2017
	$	$
Current		
Sundry debtors	320,102	250,063
GST receivable	21,275	-
	341,377	**250,063**
Property debtors	59,740	67,890
Less: provision for doubtful debts	(59,339)	(65,549)
	401	**2,341**
	341,778	**252,404**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

7. Trade and other receivables (continued)

As at 30 June 2018, property debtors with an initial carrying value of $59,339 (2017: $65,549) were impaired and fully provided for. See below for the movements in the provision for impairment of property debtors:

	Collectively impaired
	$
At 1 July 2016	**14,915**
Property debts past due and impaired	65,549
Utilised	(14,915)
At 30 June 2017	**65,549**
Utilised	(65,549)
Arised during the year	59,339
At 30 June 2018	**59,339**

8. Inventory

	2018	2017
	$	$
Inventory (Gift cards)	30,795	32,128

Stock on hand is made up of gift cards purchased but not yet issued to clients as at 30 June 2018.

9. Other assets

	2018	2017
	$	$
Current		
Prepayments	250,636	151,616
Accrued income	51,147	117,954
	301,783	**269,570**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

10. Property, plant and equipment

	Land	Buildings	Make good asset	Furniture and plant & equipment	Motor vehicles	Total
	$	$	$	$	$	$
Cost or valuation						
At 1 July 2017	2,133,200	7,764,233	45,513	1,847,904	973,746	12,764,596
Additions	-	74,245	30,000	582,380	186,538	873,163
Disposals	(58,000)	-	-	-	(34,333)	(92,333)
At 30 June 2018	**2,075,200**	**7,838,478**	**75,513**	**2,430,284**	**1,125,951**	**13,545,426**
Depreciation and impairment						
At 1 July 2017	-	197,216	30,680	1,155,937	876,835	2,260,668
Depreciation charge for the year	-	227,103	5,893	191,473	27,875	452,344
At 30 June 2018	**-**	**424,319**	**36,573**	**1,347,410**	**904,710**	**2,713,012**
Net book value						
At 30 June 2018	**2,075,200**	**7,414,159**	**38,940**	**1,082,874**	**221,241**	**10,832,414**
At 30 June 2017	2,133,200	7,567,017	14,833	691,967	96,911	10,503,928

For 30 June 2018, it has been determined by the committee members' valuation that there was no significant change in the fair value. This was made with reference to a brief review undertaken by Opteon Property Group Limited and Regional and Rural Valuers Pty Limited as to whether there had been significant changes to the market conditions since their last full valuation.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

11. Trade and other payables

	2018	2017
	$	$
Current		
Trade payables	215,076	168,625
Other payables and accruals	430,351	200,964
GST payable	-	20,912
Grants in advance	-	13,614
Revenue in advance	547,023	386,991
	1,192,450	**791,106**

12. Provisions and employee benefit liabilities

	2018	2017
	$	$
Current		
Make good provision	75,513	45,513
Annual leave	616,308	563,851
Long service leave	151,187	175,140
	843,008	**784,504**
Non-current		
Deferred lease liability	234,556	166,614
Long service leave	16,752	13,994
	251,308	**180,608**

Movements in provisions:

	Provision for make good	Deferred lease liability	Total
	$	$	$
At 1 July 2017	45,513	166,614	212,127
Arising during the year	30,000	67,942	97,942
Utilised	-	-	-
At 30 June 2018	**75,513**	**234,556**	**310,069**

13 Reserves

General reserve

The general reserve represents funds set aside for future activities of the Society.

Asset revaluation reserve

The asset revaluation reserve represents revaluation surplus of land and buildings.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

14. Related party disclosures

Terms and conditions of transactions with related parties

For the year ended 30 June 2018, St Vincent de Paul Society entities, the NSW State Council and the National Council, have had transactions with the Territory Council of Canberra/Goulburn during the year and are considered related parties. Transactions with the related parties: Levies paid to National Council. This amounted to $189,429 (2017: $121,000).

Compensation of key management personnel of the Society

	2018	2017
	$	$
Total compensation paid to key management personnel	**1,341,916**	**1,000,415**

Key management personnel is defined by AASB 124 'Related Party Disclosures' as those person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Key management personnel includes the senior management team of the Society and Council members. Council members do not receive any remuneration in their capacity as Council members.

15. Commitments and contingencies

Operating lease commitments - Society as lessee

The Society has entered into commercial leases for a number of buildings with lease terms between 1 and 7 years. The Society has the option under the leases to renew the leases for additional terms of 1 to 7 years.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are, as follows:

	2018	2017
	$	$
Not later than one year	691,193	641,193
Later than one year but not later than five years	2,463,740	1,930,675
	3,154,933	**2,571,868**

Capital commitments

The Society had no capital commitments at 30 June 2018 (2017: $nil).

Contingent assets and liabilities

The Society had no contingent assets or liabilities at 30 June 2018 (2017: $nil).

16. Economic dependency

A significant portion of the Society's revenue is provided by the Commonwealth and ACT Governments in the form of grants and subsidies.

17. Events after the reporting period

There have been no significant events occurring after the reporting period which may affect either the Society's operations or results of those operations or the Society's state of affairs.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2018

18. Auditor's remuneration

The auditor of St Vincent de Paul Society (Canberra/Goulburn) and its consolidated entity is Ernst & Young (Australia).

	2018	2017
	$	$
Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit or review of the financial report of the Society	37,115	31,665
Other services in relation to the Society		
Preparation of financial reports	6,800	-
	43,915	**31,665**

Committee members' declaration

In accordance with a resolution of the committee members of St Vincent de Paul Society (Canberra/Goulburn) and its consolidated entity, we state that in the opinion of the committee members:

(a) the consolidated financial statements and notes of the Society are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

  (i) giving a true and fair view of the Society's financial position as at 30 June 2018 and its performance for the year ended on that date; and

  (ii) complying with Accounting Standards - Reduced Disclosure Requirements, and the *Australian Charities and Not-for-Profits Commission Act 2012*; and

(b) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable;

(c) the consolidated statement of profit or loss and other comprehensive income gives a true and fair view of all income and expenditure of the Society with respect to fundraising appeals;

(d) the consolidated statement of financial position gives a true and fair view of the state of affairs of the Society with respect to fundraising appeals;

(e) the provisions and regulations of the *NSW Charitable Fundraising Act 1991* and the conditions attached to the authority to fundraise have been complied with by the Society; and

(f) the internal controls exercised by the Society are appropriate and effective in accounting for all income received and applied by the Society from any of its fundraising appeals.

On behalf of the committee

Warwick Fulton
President
12 September 2018

Bernard Meadley
Treasurer
12 September 2018

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Independent Auditor's Report to the Members of St Vincent de Paul Society Canberra/Goulburn

Report on the Financial Report

Opinion

We have audited the financial report of St Vincent de Paul Society Canberra/Goulburn (the 'Registered Entity'), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the committee members' declaration.

In our opinion, the accompanying financial report of the Registered Entity is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

a) giving a true and fair view of the Registered Entity's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

a) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity 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.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee members are responsible for the other information. The other information is the Committee Members' report accompanying the financial report.

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

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

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

Responsibilities of the Committee Members for the Financial Report

The committee members of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgment 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 Registered Entity's internal control.

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

- Conclude on the appropriateness of the committee members' 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 Registered Entity'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 Registered Entity 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.

Building a better working world

We communicate with the committee members 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.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015*

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

a) the financial report of St Vincent de Paul Society Canberra/Goulburn has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2018, in all material respects, in accordance with:

   i. sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;

   ii. sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015;

b) the money received as a result of fundraising appeals conducted by the Registered Entity during the financial year ended 30 June 2018 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.

Ernst & Young

Ernst & Young

A Ewan

Anthony Ewan
Partner
Canberra
12 September 2018