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 2020

Contents

Territory council members' report

Your territory council 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" or the "Society".

Territory council members

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

Name	Status
John Feint	President Territory Council
Elisabeth Wale	Vice President Territory Council (Commenced 9 January 2020)
Stewart Chapman	Vice President Conferences, Training & Recruitment
Bernard Meadley	Treasurer
Edward Smith	Vice President Special Works and Regional President Canberra North
John Vance	Spiritual Advisor
Raymond Akhurst	Regional President Molonglo (Resigned 01 February 2020)
Andrew Rice	Regional President Molonglo (Commenced 01 February 2020)
Mary Donnelly	Regional President Western Region
Christine Mabbott	Regional President far South Coast
Suhasini Sumithra	Vice President Youth (Resigned June 2019)
Matthew Wilson	Vice President Youth and Young Adults (Commenced 10 January 2020)
Sarah O'Neill	Vice President Centres (Commenced 11 March 2020)
Patricia Smith	Regional President Goulburn (Resigned December 2018)

Other individuals relevant to the governance of 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
Andrew Rice	Twinning & Overseas Development (Commenced 01 February 2020)
Branka van der Linden	Legal Counsel (Resigned January 2019)
Kym Duggan	Social Justice & Advocacy
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/Goulburn
- 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.
- seek to cooperate in shaping a more just, compassionate Australia and to share the Society's resources with their twinned countries, (being India, Indonesia, Timor Leste and Thailand).
- work with and assist people in need whilst respecting their dignity, sharing our hope and encouraging them to take control of their own future.
- promote informed discussion on the plight of those in need and to advocate improved services and facilities for them.
- liaise with and share resources with other charitable and benevolent organisations with the objective of assisting those people in need.

Territory council members' report (continued)

Significant changes in the state of affairs

The housing property management function, with the exception of Samaritan House Services, was transferred to Amelie Housing on 04 November 2019.

The Society's activities have been affected by COVID-19 restrictions imposed by Governments in Canberra and NSW, and the economic downturn that has resulted in Australia. The Society has received financial assistance through Federal Government programs for businesses from both the Job Keeper Subsidy and the Cash Flow Boost programs.

The Society launched specific fundraising initiatives to assist persons affected by the December 2019 and January 2020 catastrophic bushfires in NSW, and also administered cash grants to affected persons from funds allocated by the Federal Government. The support to communities affected by the bushfires is on-going.

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 $3,792,699 (2019: $2,810,668).

Signed in accordance with a resolution of the members of the territory council.

John Feint

President

30 September 2020

Bernard Meadley

Treasurer

30 September 2020

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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 2020, 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
24 September 2020

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

		2020	2019
		$	$
Revenue			
Government grants	4.1	7,142,608	4,690,887
Sale of goods	4.1	10,448,239	10,342,808
Client contributions	4.1	366,506	1,209,058
Fundraising	4.1	9,618,144	3,199,959
Other revenue	4.1	1,134,871	2,391,561
Total Revenue		**28,710,368**	**21,834,273**
Other income	4.2	1,297,335	5,981
Operating expenses			
Centres of charity	5.1	(7,446,333)	(6,570,859)
Administration	5.1	(3,807,612)	(3,408,737)
Fundraising	5.1	(737,126)	(591,258)
		(11,991,071)	**(10,570,854)**
Total funds available for community services		**18,016,632**	**11,269,400**
Community services expenses			
People in need services	5.2	(4,925,005)	(5,261,703)
Homeless and mental health services	5.2	(2,194,271)	(2,429,911)
Migrants, Refugees and Overseas	5.2	(37,721)	(56,209)
Natural Disaster Relief	5.2	(6,927,863)	(511,359)
		(14,084,860)	**(8,259,182)**
Levies paid to the National Council - related Party	5.3	(139,073)	(199,550)
Surplus for the year		**3,792,699**	**2,810,668**
Other Comprehensive income		1,977,599	-
Total Comprehensive income for the year		**5,770,298**	**2,810,668**

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 2020

	Notes	2020 $	2019 $
Assets			
Current assets			
Cash and short-term deposits	6.1	12,436,678	9,310,491
Trade and other receivables	7	163,612	228,138
Inventory	8	64,195	53,117
Investment in shares	6.2	2,389	3,420
Other assets	9	787,242	297,605
Total current assets		13,454,116	9,892,771
Non-current assets			
Property, plant and equipment	10	18,490,974	11,376,720
Total non-current assets		18,490,974	11,376,720
Total assets		**31,945,090**	**21,269,491**
Liabilities			
Current liabilities			
Trade and other payables	11	1,751,590	1,364,987
Provisions and employee benefit liabilities	12	1,014,465	806,669
Lease liability	13	598,517	-
Total current liabilities		3,364,572	2,171,656
Non-current liabilities			
Provisions and employee benefit liabilities	12	20,282	227,614
Lease liability	13	3,919,717	-
Total non-current liabilities		3,939,999	227,614
Total liabilities		**7,304,571**	**2,399,270**
Net assets		**24,640,519**	**18,870,221**
Funds			
Accumulated funds		18,855,673	15,062,974
Reserves		5,784,846	3,807,247
Total funds		**24,640,519**	**18,870,221**

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 2020

	Accumulated Funds	Asset revaluation reserve (Note 14, Note 10)	Total funds
	$	$	$
At 01 July 2019	**15,062,974**	**3,807,247**	**18,870,221**
Surplus for the Year	3,792,699	-	3,792,699
Other comprehensive income	-	1,977,599	1,977,599
Total Comprehensive income for the year	3,792,699	1,977,599	5,770,298
At 30 June 2020	**18,855,673**	**5,784,846**	**24,640,519**
At 01 Jul 2018	**12,252,306**	**3,807,247**	**16,059,553**
Surplus for the Year	2,810,668	-	**2,810,668**
Other comprehensive income	-	-	-
Total Comprehensive income for the year	2,810,668	-	2,810,668
At 30 June 2019	**15,062,974**	**3,807,247**	**18,870,221**

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 2020

	Note	2020 $	2019 $
Operating activities			
Receipts from operating activities		32,348,824	21,883,784
Payments to suppliers and employees		(26,515,203)	(18,336,700)
Interest income		131,033	117,347
Interest payments on lease liabilities		(222,546)	-
Net cash flows from operating activities		**5,742,108**	**3,664,431**
Investing activities			
Proceeds from sale of property, plant and equipment		41,777	7,527
Purchase of property, plant and equipment		(1,762,830)	(1,197,399)
Net cash flows used in investing activities		**(1,721,053)**	**(1,189,872)**
Financing activities			
Principal payments of lease liabilities		(894,868)	-
Net cash flows used in financing activities		**(894,868)**	**-**
Net increase in cash and cash equivalents		3,126,187	2,474,559
Cash and cash equivalents at 1 July		9,310,491	6,835,932
Cash and cash equivalents at 30 June	6.1	**12,436,678**	**9,310,491**

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 2020

1. Society information

The consolidated financial report of the not-for-profit entity St Vincent de Paul Society (Canberra/Goulburn) and its consolidated entity (the "Society") for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 30 September 2020**.**

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 its 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, 2 Loch Street Rheinberger Centre Yarralumla ACT 2600.

The nature of operations and principal activities of the Society are described in the territory council 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*, AASB 1004 *Contributions* and AASB 1058 *Income of Not-for-Profit Entities*.

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.

In the financial report, some prior year comparatives have been updated to align with the current year presentation.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.2. Changes in accounting policies, disclosures, standards and interpretations

New and amended standards and interpretations

The Society has adopted AASB 15 *Revenue from Contracts with Customers,* AASB 1058 *Income of Not-for-Profit Entities* and AASB 16 *Leases* issued by the Australian Accounting Standards Board (the AASB) from 1 July 2019, which has resulted in changes in accounting policies.

a AASB 15 *Revenue from Contracts with Customers*

AASB 15 *Revenue from Contracts with Customers* (AASB 15) became effective from 1 July 2019. The new Standard establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* and related interpretations. The Standard applies a five-step approach to the timing of revenue recognition and is applicable to all contracts with customers, except those in the scope of other Standards, replacing the separate models for goods, services and construction contracts under the previous Accounting Standards.

As a consequence, revenue from contracts with customers will be recognised in the statement of profit or loss following the approach highlighted above, when or as the Society satisfies performance obligations by transferring the promised services (or goods) to its customers; i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to a customer.

The adoption of AASB 15, will not impact the timing of revenue recognition of sale of goods, which continues to be recognised on a point in time basis. In applying AASB 15, revenue associated with the sale of goods is recognised when the performance obligation of the sale has been fulfilled and control of the goods has transferred to the customer, which will still occur at the point of sale.

Under AASB 15, revenue relating to contributions/fees for services from or on behalf of people we assist who have the capacity to pay, will be recognised on a point in time basis, when the service is provided.

In accordance with the transition provisions of AASB 15, the Society adopts the modified retrospective approach, where recognition and measurement principles of the new Standard are applied to adjust only the 2019/2020 financial year as though the new Standard had always applied.

Impact on transition

On transition to AASB 15, there was no impact on Society's opening retained earnings.

b AASB 1058 *Income of Not-for-Profit Entities*

AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) replaces most of the not for profit (NFP) income recognition requirements in AASB 1004 *Contributions*, the scope of which is now limited to parliamentary appropriations, administrative arrangements and contributions by an owner. The purpose of the new Standard is to recognise transactions that are not contracts with customers, in accordance with their economic reality. AASB 1058 became effective from 1 July 2019.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.2. Changes in accounting policies, disclosures, standards and interpretations (continued)

b AASB 1058 Income of Not-for-Profit Entities (continued)

Upon recognition of the asset, the Standard also requires the Society to consider whether any other financial statement elements ('related amounts') should be recognised, such as:

- contributions by owners;
- revenue, or a contract liability arising from a contract with a customer;
- a lease liability;
- a financial instrument; or
- a provision.

These related amounts are accounted for in accordance with the applicable Australian Accounting Standard.

The Standard also prescribes specific accounting requirements for a transaction which is a transfer of a financial asset to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the Society (in substance acquisition of a non-financial asset) and volunteer services.

The Society has elected to not recognise volunteer services within the financial statements, given the true value of these services cannot be reliably measured in financial terms.

The Society has elected to adopt the modified retrospective approach, where recognition and measurement principles of the new Standard are applied to adjust only the 2019/2020 financial year as though the new Standard had always applied.

Impact on transition

On transition to AASB 1058, there was no impact on Society's opening retained earnings.

c AASB 16 *Leases*

The Society has initially adopted AASB 16 *Leases* (AASB 16) from 1 July 2019. The newly effective Standard introduces a single, on-statement of financial position accounting model for lessees. As a result, the Society, as a lessee, has recognised right-of-use assets representing its right to use underlying assets and lease liabilities representing its obligation to make lease payments. The Society elected to use the transition practical expedient allowing the new Standard to be applied only to contracts that were previously identified as leases applying AASB 117 *Leases* (AASB 117) and Interpretation 4 Determining whether an Arrangement contains a Lease, at the date of initial application and not to reassess whether a contract is, or contains a lease.

AASB 16 has been applied using the modified retrospective approach, under which the right-of-use assets is measured at an amount equal to the lease liability adjusted by any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of application.

Under the transition arrangements, the Society is not required to make adjustments on transition for leases for which the underlying asset is of low value (AUD $10,000). In these instances, the Society recognises the lease payments associated with those leases, as an expense over the lease term.

Leases have been grouped in a portfolio as they have similar characteristics. As per AASB 16, a single discount rate can be applied on transition to the portfolio. To determine the discount rate, the Society has required its

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.2. Changes in accounting policies, disclosures, standards and interpretations (continued)

c AASB 16 *Leases (continued)*

bank, the Catholic Development Fund (CDF), to provide an interest rate that would apply if the Society had to borrow funds to finance its lease commitments. This interest rate has been used as the incremental borrowing rate to determine the present value of the unpaid lease payments as at 1 July 2019.

Accordingly, on transition to AASB 16 the incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 4.65%.

An election has been made, on a lease-by-lease basis, to adopt the practical expedient to recognise payments for leases with terms ending within 12 months from 1 July 2019, as expenses in the statement of profit or loss, instead of recognising right of use (ROU) assets and lease liabilities.

The Society has chosen, on a lease-by-lease basis, to exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application. This has the effect of reducing the value of the ROU asset and its associated depreciation expense, but it has also reduced the initial work on application of the Standard.

The Society has benefited from the use of hindsight for determining lease terms when considering options to extend and terminate leases. Lease terms are determined as the non-cancellable term of the leases, together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

As there are several lease contracts that include extension and termination options, judgement has been used in evaluating whether it is reasonably certain whether to or not to exercise the option to renew or terminate the lease. That is, the Society considers all relevant factors that create an economic incentive for a lease agreement to be renewed or terminated. After the commencement date, lease terms are reassessed if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or to exercise the option to renew or terminate.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Society has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

AASB16 allows lessees to make an election, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

During the financial year ending on 30 June 2020, the Society has received rent concessions relation to COVID-19 and has applied the practical expedient available under AASB 16 not to account for them as lease modifications. COVID-19 related rent concessions have been recorded in the Society's profit or loss.

The new Standard permits the Society to measure its ROU assets at cost, unless the revaluation model is applied to the same ROU assets relating to a class of property, plant & equipment measured at fair value under AASB 116.

In line with AASB 116, the Society considers its ROU assets as a distinct class of assets from the other components of property, plant and equipment (PPE). Accordingly, the Society measures its ROU assets at cost as the ROU assets fair value cannot be measured reliably.

The new Standard requires that a lessee elect to either present in the statement of financial position or discloses in the notes, the ROU assets separately from other assets and the lease liabilities separately from other liabilities.

The Society has elected to present its ROU assets as part of property, plant equipment in its statement of financial position. Lease liabilities are presented separately in the statement of financial position.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.2. Changes in accounting policies, disclosures, standards and interpretations (continued)

c AASB 16 *Leases (continued)*

The new Standard requires that a lessee recognise dismantling, removal, and restoration costs to return certain leased premises to their original condition as set out in the lease agreements as part of the cost of ROU assets when it incurs an obligation for those costs.

The Society has elected to reclassify make good assets and include them in the ROU assets.

As the Society does not grant leases, none of the transition and non-transition options available for lessors are applicable.

Impact on transition

On transition to AASB 16, the Society has reclassified made good asset as right-of-use assets, recognised right-of-use assets, lease liabilities and has offset the Straight-Line Rent Provision opening balance against the right-of-use assets opening balances.

Effect of AASB 16 Leases

Leases are reported in the statement of financial position (Note 10) and (Note 13) as at 30 June 2020.

Upon initial application of the Standard, the following amounts were recognised as at 1 July 2019:

Right-of-use asset	$5,292,102
Lease liability	$5,413,102

The right of use asset was determined after reclassifying make good asset of $85,513 that was recognised by the Society at 30 June 2019 and deducting a lease incentive liability of $206,513 that was recognised by the Society at 30 June 2019.

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 2020. 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 trustee; and
- 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 the statement of profit or loss. Any investment retained is recognised at fair value.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.3. Summary of significant accounting policies (continued)

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.

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 of three, six or twelve months.

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 measured 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 nominal cost, the cost is its fair value as at the date of acquisition. Subsequent to initial recognition, financial assets are measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.3. Summary of significant accounting policies (continued)

d) Financial instruments (continued)Trade and other receivables

The Society recognises receivables in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due and makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Society considers the debtors ageing and uses its historical experience to calculate the expected credit losses. Trade receivables are assessed on a collective basis as they possess the same credit risk characteristics based on the days past due.

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 secured and are usually paid within 30 days of recognition.

(iii) *Impairment*

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or at fair value through other comprehensive income. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The entity recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated based on the entity's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the future direction of conditions at the reporting date, including time value of money where appropriate.

e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value, 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.3. Summary of significant accounting policies (continued)

e) Property, plant and equipment (continued)

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 class 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 five 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 the statement of profit or 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
Right of use asset	Life of the lease

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.3. Summary of significant accounting policies (continued)

e) Property, plant and equipment (continued)

Right-of-use asset

A right-of-use asset is initially measured:

- at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received); plus
- initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. A right-of-use asset associated with land and buildings is subsequently measured at fair value.

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 territory council 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.

f) Fair value measurement

The Society measures non-financial assets such as freehold and leasehold land and buildings, at fair value at each statement of financial position 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.3. Summary of significant accounting policies (continued)

f) Fair value measurement (continued)

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 and Vinnies home brand stock purchased but not yet sold to a customer.

h) Investment in shares

In accordance with the two-step model prescribed by AASB 9, the investment in shares is initially recognised at cost and is subsequently measured at fair value through the statement of profit or loss, at the reporting date.

i) Leases

A lease is a contract (i.e., an agreement between two or more parties that creates enforceable rights and obligations), or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Society as a lessee

In contracts where the Society is a lessee, the Society recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied in accordance with AASB 16 *Leases*.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.3. Summary of significant accounting policies (continued)

j) Provisions and employee benefit liabilities (continued)

Employee benefits

Employee benefits comprise salaries and wages, annual, accumulating sick and long service leave.

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 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.

LSL Provision

For employee benefits in relation to long service leave accruals for NSW-based staff, 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.

k) Revenue

Revenue recognised under AASB 15 is measured at the amount the Society expects to receive in consideration for satisfying performance obligations to a customer.

Sale of goods

Revenue from the sale goods is recognised as revenue when the performance obligation is satisfied (generally being delivery of the goods). Payment terms for the sale of goods are generally cash on delivery.

Government grants

Government grant funding that contains specific conditions on the use of those funds are recognised as and when the Society satisfies its performance obligations by providing goods and services to its clients. A contract liability is recognised for unspent grant funds for which a refund obligation exists in relation to the funding period. General grants that do not impose specific performance obligations on the Society are recognised as income when the Society obtains control of those funds, which is usually on receipt.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.3. Summary of significant accounting policies (continued)

k) Revenue (continued)

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. Contributions/Fees for services are recognised in accordance with AASB 15 *Revenue from Contracts with Customers.*

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. Donations are recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

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.

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 arising from gifts in wills including cash and/or capital assets are recognised as income when control of the funds or assets is obtained.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

2.3. Summary of significant accounting policies (continued)

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.

3. Critical accounting judgements, estimates and assumptions

The territory council 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

Valuations were performed for the 2019-2020 financial year for all land and buildings.

An independent valuation of land and buildings was carried out by an independent valuer to provide a fair value as at 30 June 2020. A revaluation increment of $1,737,799 for buildings and a revaluation increment of $239,800 for land were credited to the asset revaluation reserve in the equity section of the statement of financial position and debited to land and buildings by asset class at that time.

The revalued land and buildings consist of office and sales centres properties in Australia. Management determined that these constitute one class of asset under AASB 13 *Fair Value Measurement*, based on the nature, characteristics and risks of the property.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

3. Critical accounting judgements, estimates and assumptions (continued)

Revaluation of property, plant and equipment (continued)

Land and buildings were valued using the depreciated replacement cost approach where the current reinstatement cost of the buildings and site improvements have been assessed and then depreciated to take account of the age and remaining life of the respective components.

As at the date of revaluation on 30 June 2020, the properties' fair values are based on valuations performed by Colliers International an accredited independent valuer that has valuation experience for similar properties.

The Society carries its freehold and leasehold land and buildings at fair value in accordance with the valuation policy outlined in Note 2.3. The Society has obtained a valuation by a certified practising valuer, Colliers International made on 30 June 2020 and following due consideration the Society has adopted the valuation for the financial report. The valuer specified that the valuation is on the basis of material valuation uncertainty as a result of the COVID-19 pandemic and the ongoing economic conditions that may impact real estate values including, but not limited to, comparable sales evidence. These conditions may also give rise to changes in value of a short period of time. The valuer advises that the 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent that less certainty can be attached to the valuation than would otherwise be the case.

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 2020

4.1 Revenue

	2020	2019
	$	$
Government Grants		
People in need services	3,847,485	2,091,990
Mental health and homeless services	1,383,987	2,598,897
Natural Disaster Relief	1,906,997	-
Migrants, Refugees and Overseas	4,139	-
	7,142,608	**4,690,887**
Sale of Goods		
Sale centres of charity	10,436,719	10,324,003
Sales - other	11,520	18,805
	10,448,239	**10,342,808**
Client contributions		
Homeless and mental health services	366,506	769,872
National Disability Insurance Scheme contributions	-	439,186
	366,506	**1,209,058**
Fundraising		
General donations and appeals	1,658,642	2,472,076
Natural disaster appeals	7,959,502	727,883
	9,618,144	**3,199,959**
Other revenue		
Interest income	93,761	158,344
Bequests	847,858	2,091,397
Sundry income	193,252	141,820
	1,134,871	**2,391,561**
Total Revenue	**28,710,368**	**21,834,273**

4.2 Other income

	2020	2019
	$	$
Net gain on disposal of property, plant and equipment	15,335	5,981
Job keeper	1,219,500	-
Cash flow boost	62,500	-
	1,297,335	**5,981**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

5. Expenses

Surplus for the year has been determined after:

	2020	2019
	$	$
5.1 Operating Expenses		
Centres of Charity		
Cost of Sales	68,388	61,643
Employee salaries & benefits	4,720,204	3,844,097
Property expenses	736,860	1,435,264
Motor vehicle expenses	178,563	155,234
Assistance provided	75,117	112,322
Disaster assistance	-	-
Administration expenses	467,212	522,302
Depreciation and amortisation expenses	1,199,989	439,997
Total centres of charity	**7,446,333**	**6,570,859**
Administration		
Employee salaries & benefits	2,813,138	2,617,139
Property expenses	183,262	383,946
Motor vehicle expenses	44,486	35,622
Assistance provided	4,295	9,955
Disaster assistance	13	-
Administration expenses	226,753	216,570
Depreciation and amortisation expenses	535,665	145,505
Total Administration	**3,807,612**	**3,408,737**
Fundraising		
Employee salaries & benefits	461,463	420,925
Property expenses	8,476	910
Motor vehicle expenses	-	-
Assistance provided	9,388	2,593
Disaster assistance	-	-
Administration expenses	255,576	163,485
Depreciation and amortisation expenses	2,223	3,345
Total Fundraising	**737,126**	**591,258**
Total Operating Expenses	**11,991,071**	**10,570,854**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

5. Expenses (continued)

	2020	2019
	$	$
5.2 Community services expenses		
People in need services		
Employee salaries & benefits	2,349,034	2,759,835
Property expenses	21,045	32,102
Motor vehicle expenses	65,953	54,594
Assistance provided	1,697,828	1,640,047
Disaster assistance	26,046	76
Administration expenses	673,567	720,994
Depreciation and amortisation expenses	91,532	54,055
Total people in need services	**4,925,005**	**5,261,703**
Homeless and mental health services		
Employee salaries & benefits	1,431,451	1,425,941
Property expenses	213,799	544,140
Motor vehicle expenses	48,939	50,919
Assistance provided	148,428	64,774
Disaster assistance	-	-
Administration expenses	327,740	328,439
Depreciation and amortisation expenses	23,914	15,698
Total homeless and mental health services	**2,194,271**	**2,429,911**
Migrants, refugees and overseas		
Employee salaries & benefits	420	-
Property expenses	-	382
Motor vehicle expenses	-	-
Assistance provided	35,038	55,645
Disaster assistance	-	-
Administration expenses	2,263	182
Depreciation and amortisation expenses	-	-
Total migrants, refugees and overseas	**37,721**	**56,209**
Natural disaster relief		
Employee salaries & benefits	18,604	-
Property expenses	-	-
Motor vehicle expenses	-	-
Assistance provided	920	4,623
Disaster assistance	6,549,863	506,389
Administration expenses	358,476	347
Depreciation and amortisation expenses	-	-
Total natural disaster relief	**6,927,863**	**511,359**
Total community services expenses	**14,084,860**	**8,259,182**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

5. Expenses (continued)

	2020	2019
	$	$
5.3 Related party expenses		
Levies paid to National Council - related party	139,073	199,550
Total expenses	**26,215,004**	**19,029,586**

Administration, fundraising, people in need services and homeless and mental health services are reclassified to provide greater transparency in migrant, refugee and overseas, and natural disaster relief services provided.

6. 1 Cash and short-term deposits

	2020	2019
	$	$
Cash on hand	739,789	167,493
Cash at bank	10,396,889	4,642,998
Short-term deposits	1,300,000	4,500,000
	12,436,678	**9,310,491**

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

6.2 Cash and short-term deposits	2020	2019
	$	$
Investment in shares	**2,389**	**3,420**

7. Trade and other receivables

	2020	2019
	$	$
Current		
Sundry debtors	104,740	59,160
Less: Provision for expected credit losses	(2,804)	(17,843)
GST Receivable	57,296	152,813
	159,232	**194,130**
Property debtors	50,730	137,227
Less: Provision for expected credit losses	(46,350)	(103,219)
	4,380	**34,008**
Total Trade and other receivables	**163,612**	**228,138**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

7. Trade and other receivables (continued)

Sundry Debtors
As at 30 June 2020, sundry debtors with an initial carrying value of $2,804 (2019: $17,843) were impaired and fully provided for. See below the movements in the provision for expected credit losses of sundry debtors.

	Collectively Impaired
	$
As at 30 June 2018	**-**
Utilised	-
Arising during the year	17,843
At 30 June 2019	**17,843**
Utilised	(15,039)
Arising during the year	-
At 30 June 2020	**2,804**

Property Debtors
As at 30 June 2020, property debtors with an initial carrying value of $46,350 (2019: $103,219) were impaired and fully provided for. See below the movements in the provision for expected credit losses of property debtors.

As at 30 June 2018	**59,339**
Utilised	-
Arising during the year	43,880
As at 30 June 2019	**103,219**
Arising during the year	107,551
Transferred to Amelie Housing	(164,420)
At 30 June 2020	**46,350**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

8. Inventory

	2020	2019
	$	**$**
Inventory	**64,195**	**53,117**

Stock on hand is made up of gift cards purchased but not yet issued to clients as at 30 June 2020 and Centres' Vinnies home brand stock purchased, but not yet sold to a customer as at 30 Jun 2020.

9. Other assets

	2020	2019
	$	**$**
Current		
Prepayments	196,357	177,844
Accrued Income	590,885	119,761
	787,242	**297,605**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

10. Property, plant and equipment

	Land	Buildings	Furniture and plant equipment	Motor vehicles	Right of Use Asset	Total
	$	$	$	$	$	$
At 1 July 2019	2,075,200	8,009,760	3,246,812	1,293,686	5,292,102	19,917,560
Revaluation	239,800	923,258	-	-	-	1,163,058
Addition	-	466,820	844,843	451,167	57,000	1,819,830
Disposal	-	(4,724)	(20,367)	(179,808)	(10,000)	(214,899)
at 30 June 2020	**2,315,000**	**9,395,114**	**4,071,288**	**1,565,045**	**5,339,102**	**22,685,549**
Depreciation and impairment						
At 01 Jul 2019	-	625,552	1,679,931	976,387	52,381	3,334,251
Revaluation	-	(814,541)	-	-	-	(814,541)
Depreciation Charge for the year	-	213,588	471,187	186,615	981,933	1,853,323
Disposal	-	(146)	(5,734)	(162,578)	(10,000)	(178,458)
At 30 June 2020	**-**	**24,453**	**2,145,384**	**1,000,424**	**1,024,314**	**4,194,575**
Net book value						
At 30 June 2020	**2,315,000**	**9,370,661**	**1,925,904**	**564,621**	**4,314,788**	**18,490,974**
At 30 June 2019	**2,075,200**	**7,384,208**	**1,566,881**	**317,299**	**33,132**	**11,376,720**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

10. Property, plant and equipment (continued)

Revaluation of property, plant and equipment

Valuations were performed for the 2019-2020 financial year for all land and buildings.

An independent valuation of land and buildings was carried out by an independent valuer to provide a fair value as at 30 June 2020. A revaluation increment of $1,977,599 including $1,737,799 for buildings ($923,258 asset revaluation and $814,541 Accumulated Depreciation revaluation) and $239,800 for land; were credited to the asset revaluation reserve in the equity section of the statement of financial position and debited to land and buildings by asset class at that time.

The revalued land and buildings consist of office and sales centres properties in Australia. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Land and buildings were valued using the replacement cost approach where the current reinstatement cost of the buildings and site improvements have been assessed and then depreciated to take account of the age and remaining life of the respective components.

As at the date of revaluation on 30 June 2020, the properties' fair values are based on valuations performed Colliers International accredited independent valuer that has valuation experience for similar properties.

The Society carries its freehold and leasehold land and buildings at fair value in accordance with the valuation policy outlined in Note 2.3. The Society has obtained a valuation by a certified practising valuer, Colliers International made on 30 June 2020 and following due consideration the Society has adopted the valuation for the financial report. The valuer specified that the valuation is on the basis of material valuation uncertainty as a result of the COVID-19 pandemic and the ongoing economic conditions that may impact real estate values including, but not limited to, comparable sales evidence. These conditions may also give rise to changes in value of a short period of time. The valuer advises that the 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent that less certainty can be attached to the valuation than would otherwise be the case.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

11. Trade and other payables

	2020	2019
	$	$
Current		
Trade payables	218,384	398,922
Other payables	550,375	464,946
Other accruals	670	446
GST payable	66,448	125,305
Grants in advance	915,713	351,035
Revenue in advance	-	24,333
	1,751,590	**1,364,987**

12. Provisions and employee benefit liabilities

	2020	2019
	$	$
Current		
Provisions and employee benefit liabilities		
Make good provision	132,513	85,513
Annual leave	765,993	599,977
Long service leave	115,959	121,179
	1,014,465	**806,669**

	2020	2019
Non-current		
Provisions and employee benefit liabilities		
Deferred lease liability	-	206,513
Long service leave	20,282	21,101
	20,282	**227,614**

Movements in provisions:

	Provision for make good	Deferred lease liability	Total
At 1 July 2019	85,513	206,513	292,026
Arising during the year	57,000	-	57,000
Derecognised on adaption of AASB 16	-	(206,513)	(206,513)
At 30 June 2020	**142,513**	**-**	**142,513**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2020

13. Lease liabilities

	2020	2019
	$	**$**
Current	598,517	-
Non Current	3,919,717	-
	4,518,234	**-**

The amount expensed in the statement of profit or loss and other comprehensive income in relation to short-term and low-value leases was $15,773.

The Society's leases are primarily for retail premises whose scope is to raise funds through retail activities. The Society has options to extend its lease agreements that have been included in the measurement of lease liabilities, as it is reasonably certain that renewals will befall, given the nature of the leases' underlying assets. Retail shops or Centres represent the face of the Society, they are economically viable and they also provide benefits to the communities in which they operate.

The Society has only three (3) significantly below-market leases for land in Bega, Narooma and Yass.

The registered proprietor of this land is the Trustee of the Roman Catholic Church for the Archdiocese of Canberra and Goulburn, that has granted these parcels of land to the Society, for the construction of welfare stores. The agreements do not admit use other than for welfare store opportunity for this land.

Lease terms and payments are as follow:
- Land in Bega: 50 years, $1.00 a year,
- Land in Narooma: 99 years, $0.10 a year,
- Land in Yass: 50 years, $10.00 a year

The underlying assets in the agreements are pieces or parcels of land situated in the Parish of Bega and County of Aukland, Parish of Narooma and County of Dampier and Parish of Hume and County of Murray.

14. 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 2020

15. Related party disclosures

Transactions with the related parties: Levies paid to National Council. This amounted to $139,073 (2019: $199,550).

Compensation of key management personnel of the Society

	2020	2019
	$	$
Total compensation paid to key management personnel	**1,604,608**	**1,351,286**

Key management personnel is defined by AASB 124 'Related Party Disclosures' as those persons 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 remuneration in their capacity as Council members. Key management personnel consisted of 14 individuals (2019: 14)

16. Commitments and contingencies

Capital commitments

The Society has the following capital expenditure commitments at 30 June 2020 $33,219 (2019: $279,320). Capital commitments relate to items of property, plant and equipment where funds have been committed but the assets not yet received.

Contingent assets and liabilities

At 30 June 2020, the Society had a contingent liability in relation to possible future claims made by former clients under the National Redress Scheme which the Society joined as a respondent in September 2020. Due to lack of knowledge about the likely number and value of possible claims, it is considered that any contingent liability from potential claims cannot be reliably estimated as at 30 June 2020. The Society had no quantifiable contingent assets or liabilities at 30 June 2020 (2019: $nil)

17. 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.

18. 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 2020

19. Auditor's remuneration

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

	2020	**2019**
	$	**$**
Amounts received or due and receivable by Ernst & Young (Australia) for:		
Audit and report on the consolidated financial report	33,000	46,750
Audit fee for audit work relating to new accounting standards	15,000	-
Audit fee for grant acquittals	22,500	-
Engagement administration charge at 4%	2,820	-
	73,320	**46,750**

Territory council members' declaration

In accordance with a resolution of the territory council members of St Vincent de Paul Society (Canberra/Goulburn) and its consolidated entity, we state that in the opinion of the territory council 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 2020 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 Regulation 2013; 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 Territory Council

John Feint

President

30 September 2020

Bernard Meadley

Treasurer

30 September 2020

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

Opinion

We have audited the financial report of St Vincent de Paul Society Canberra/Goulburn (the "Registered Entity") and its association (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 presents fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended 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 2020 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 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.

Emphasis of Matter: Fair Value of Land and Buildings

We draw attention to Note 2.3 of the financial report which describes the impact of the COVID-19 pandemic on the determination of the fair value of land and buildings by the certified practising valuer and how this has been considered by the Committee members in the preparation of the financial report. Due to the heightened degree of valuation uncertainty, property values may change significantly and unexpectedly over a relatively short period of time, as a result, less certainty can be attached to the valuation performed by the certified practising valuer. Our opinion is not modified in respect of this matter.

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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 and fair presentation of the financial report 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 Committee Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee Members are responsible for assessing the Group'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 Group 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 Group'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 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 audit. We remain solely responsible for our audit opinion.

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 2020, 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 2020 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.

Ernst & Young

Ernst & Young

Anthony Ewan
Partner
Canberra
24 September 2020