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 2019

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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**
Warwick Fulton	President (Resigned 07 June 2019)
John Feint	President (Commenced 07 June 2019) and Regional President Tuggeranong/Monaro (Resigned 07 June 2019)
Bernard Meadley	Treasurer 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
Patricia Smith	Regional President Goulburn

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**
Branka van der Linden	Legal Counsel
Andrew Rice	Twinning & Overseas Development
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 former President Warwick Fulton resigned as President of St Vincent de Paul Society Canberra/Goulburn on 7 June 2019. John Feint was elected and appointed as the new President 7 June 2019. Territory council members resolved on 7 June 2019 to withdraw from the provision of National Disability Insurance Scheme services. The Housing Property Management function, with the exception of Samaritan House Services, will be transferred to Amelie Housing during the 2019/20 financial year.

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 $2,810,668 (2018: $812,238).

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

John Feint
President
23 October 2019

Bernard Meadley
Treasurer
23 October 2019

Building a better
working world

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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 2019, 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
23 October 2019

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

	Notes	2019	2018
		$	$
Revenue			
Government grants	4.1	4,690,887	3,991,469
Sale of goods	4.1	10,124,164	9,155,284
Client contributions	4.1	1,209,058	1,200,124
Fundraising income	4.1	3,199,959	2,017,200
Other revenue	4.1	2,391,561	250,668
Total revenue from operating activities		**21,615,629**	**16,614,745**
Other income	4.2	5,981	4,436
Operating expenses			
Centres of charity	5.1	(6,352,215)	(5,547,140)
Administration	5.1	(3,397,344)	(3,152,895)
Fundraising	5.1	(603,581)	(481,030)
		(10,353,140)	**(9,181,065)**
Total funds available for community services		**11,268,470**	**7,438,116**
Community services expenses			
People in need services	5.2	(4,253,352)	(2,930,170)
Homeless and mental health services	5.2	(4,004,900)	(3,506,279)
		(8,258,252)	**(6,436,449)**
Levies paid to the National Council - related party	5.3	(199,550)	(189,429)
Surplus for the year		**2,810,668**	**812,238**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,810,668**	**812,238**

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 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash and short-term deposits	6	9,310,491	6,835,932
Trade and other receivables	7	102,833	341,778
Inventory	8	53,117	30,795
Investment in shares		3,420	3,617
Other assets	9	297,605	301,783
Total current assets		9,767,466	7,513,905
Non-current assets			
Property, plant and equipment	10	11,376,720	10,832,414
Total non-current assets		11,376,720	10,832,414
Total assets		**21,144,186**	**18,346,319**
Liabilities			
Current liabilities			
Trade and other payables	11	1,239,682	1,192,450
Provisions and employee benefit liabilities	12	806,669	843,008
Total current liabilities		2,046,351	2,035,458
Non-current liabilities			
Provisions and employee benefit liabilities	12	227,614	251,308
Total non-current liabilities		227,614	251,308
Total liabilities		**2,273,965**	**2,286,766**
Net assets		**18,870,221**	**16,059,553**
Funds			
Accumulated funds		15,062,974	12,252,306
Reserves	13	3,807,247	3,807,247
Total funds		**18,870,221**	**16,059,553**

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 2019

	Accumulated funds	Asset revaluation reserve (Note 13)	General reserve (Note 13)	Total funds
	$	$	$	$
At 1 July 2018	**12,252,306**	**3,806,419**	**828**	**16,059,553**
Surplus for the year	2,810,668	-	-	2,810,668
Other comprehensive income	-	-	-	-
General reserve classification correction	-	828	(828)	-
Total comprehensive income for the year	2,810,668	828	(828)	2,810,668
At 30 June 2019	**15,062,974**	**3,807,247**	**-**	**18,870,221**
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**

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 2019

	Note	2019	2018
		$	$
Operating activities			
Receipts from operating activities		21,883,784	18,056,855
Payments to suppliers and employees		(18,336,700)	(16,437,445)
Interest income		117,347	47,413
Net cash flows from operating activities		**3,664,431**	**1,666,823**
Investing activities			
Proceeds from sale of property, plant and equipment		7,527	96,769
Purchase of property, plant and equipment		(1,197,399)	(873,163)
Net cash flows used in investing activities		**(1,189,872)**	**(776,394)**
Financing activities			
Payment of borrowings		-	-
Net cash flows used in financing activities		**-**	**-**
Net increase in cash and cash equivalents		2,474,559	890,429
Cash and cash equivalents at 1 July		6,835,932	5,945,503
Cash and cash equivalents at 30 June	6	**9,310,491**	**6,835,932**

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 2019

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 2019 was authorised for issue in accordance with a resolution of the directors on 23 October 2019.

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 Denison Street, Deakin 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* and AASB 1004 *Contributions*.

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 2019

2. Significant accounting policies (continued)

2.2 Changes in accounting policies, disclosures, standards and interpretations

New and amended standards and interpretations

The Society has adopted the new AASB 9 issued by the Australian Accounting Standards Board (the AASB) from 1 July 2018, which has resulted in changes in accounting policies.

a) AASB 9 *Financial Instruments* and related amending Standards

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: recognition and measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for impairment of financial assets. On 1 July 2018, the Society has assessed which business model applies to the financial instruments held and has classified them into the appropriate AASB 9 categories. The main effects resulting from this reclassification are shown in the table below.

Presentation in statement of financial position	Financial Asset	AASB 139	AASB 9	Reported	Restated
Cash and Cash equivalents	Bank deposits	Loans and Receivables	Amortised Cost	No Change	No Change
Trade or other receivables/payables	Loans and Receivables	Loans and Receivables	Amortised Cost	No Change	No Change

On adoption of AASB 9, the Society classified assets and liabilities as subsequently measured at either amortised cost or fair value, depending on the business model for those assets and on the asset's contractual cash flow characteristics. There were no changes in the measurement of the Society's financial instruments.

There was no impact on the statement of comprehensive income of the statement of changes in equity on adoption of AASB 9 in relation to classification and measurement of assets and liabilities.

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 will be adopted by the Society for the annual reporting year ended 30 June 2020. The territory council members have not early adopted any of these new or amended standards or interpretations. The territory council members are in the process of assessing the impact of the applications of AASB 15 *Revenue from Contracts with Customers* (effective for reporting periods from 1 January 2019 for not-for-profit entities), AASB 1058 *Income of Not-For-Profit Entities* (effective for reporting periods from 1 January 2019), and AASB 16 *Leases* (effective for reporting periods from 1 January 2019) and its amendments to the extent relevant to the financial statements of the Society.

a) AASB 15 *Revenue from Contracts with Customers*

AASB 15 *Revenue from Contracts with Customers* will be 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

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

New and amended standards and interpretations (continued)

a) AASB 15 *Revenue from Contracts with Customers (continued)*

As a consequence, revenue from contracts with customers will be recognised in the income statement following the approach highlighted above, when or as the Society satisfy 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.

On the other hand, 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.

The same recognition principle can be applied to dividends: they will be recognised in profit and loss when control is obtained, on a point in time basis, when they clear on the Society's bank account.

In accordance with the transition provisions of AASB 15, the Society will 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.

Overall, the Directors expect the application of AASB 15 not to impose any significant adjustments to net profit or opening retained earnings and its application won't give rise to any significant transition adjustments.

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

AASB 1058 *Income of Not-for-Profit Entities* replaces most of the NFP income recognition requirements in AASB 1004 *Contributions*, the scope 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 will be effective from 1 July 2019.

The new Standard applies when a NFP entity receives volunteer services free of charge (for example professional services, contributed labour and other volunteer services) or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset, principally to enable the entity to further its objectives. In this latter case, the Society would recognise and measure the asset at its fair value in accordance with the applicable Australian Accounting Standard.

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;

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

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

New and amended standards and interpretations (continued)

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

- 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 does not anticipate recognising volunteer services within the financial statements, given the true value of these services is not reliably measurable in financial terms.

The society will elect 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.

Even in this case, the Directors do not expect the application of AASB 1058 to impose any significant adjustments to net profit or opening retained earnings and also its application won't give rise to any significant transition adjustments.

c) AASB 16 *Leases*

AASB 16 *Leases* replaces existing accounting requirements for leases under AASB 117 *Leases* ('AASB 117'). Under current requirements, leases are classified based on their nature as either finance leases, which are recognised in the Consolidated Statement of Financial Position, or operating leases, which are not recognised in the Consolidated Statement of Financial Position. The Society recognises operating lease expenses on a straight-line basis over the term of the leases, and recognises assets and liabilities only to the extent that there is a timing difference between actual lease payments and the expense recognised.

Under AASB 16, the Society's accounting for operating leases as lessee, will result in the recognition of a right-of-use (ROU) assets and associated lease liabilities on the Consolidated Statement of Financial Position and the lease liability represents the present value of future lease payments. Moreover, some of the Society's commitments might be covered by an exception for short-term and low value leases, which are not material to the Society's results. The election to take recognition exemptions is made on a lease by lease basis.

An interest expense is recognised on the lease liabilities and depreciation charges are recognised for the ROU assets. The Society will assess lease assets for impairment under AASB 136 *Impairment of Assets.*

The Society's accounting for leases as a lessor remain largely unchanged under AASB 16.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

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

New and amended standards and interpretations (continued)

c) AASB 16 *Leases (continued)*

The Society has made significant progress in setting accounting policy, continuing to refine the Society's assessment of the estimated impact of the Standard, implementation data and system requirements. The Society remains on track to adopt the new Standard with effect from 1 July 2019.

The following areas of judgement for the application of AASB 16 have been identified:

- Discount rate: determining the interest rate implicit in the lease requires significant judgement due to the nature of the assets which the Society leases. The Society has approached the Catholic Development Fund to obtain the incremental borrowing rate to calculate the net present value of future lease payments.
- Lease term: the lease term is the non-cancellable period of the lease, with optional renewable periods if there is reasonable certainty of extension after a termination date.
- Short term lease: a short term lease is defined as a lease that, at commencement date, has a lease term of 12 months or less.
- Low value lease: a low value lease is defined as a lease of an underlying asset with a value, when new, of $10,000 Australian dollars.

The Society will apply AASB 16 with effect from 1 July 2019 using the modified retrospective approach whereby there is an option on a lease-by-lease basis to calculate the right-to-use asset as either equal to the lease liability (preferred option) or with respect to historical lease payments. Under this method, there is no requirement to restate comparatives.

The impact predominantly relates to the Society's property leases for retail premises and support offices.

The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on various factors, including the Society's borrowing rate, the composition of the Society's portfolio, the extent to which the Society chooses to use practical expedients and recognition exemptions, and the new accounting policies, which are subject to change until the Society presents its first financial statements that include the date of initial application.

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 2019. 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
- The ability to use its power over the investee to affect its returns

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

2.3 Summary of significant accounting policies (continued)

a) Basis of consolidation (continued)

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.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

2.3 Summary of significant accounting policies (continued)

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.

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. The difference between the credit losses allowances calculated under AASB 9 compared to the incurred loss calculated under AASB 139, is not material to the Society.

(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 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

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 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 2019

2.3 Summary of 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 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 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

2.3 Summary of significant accounting policies (continued)

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

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 profit and loss, at the reporting date.

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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

2.3 Summary of significant accounting policies (continued)

j) Provisions and employee benefit liabilities (continued)

Employee benefits (continued)

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 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

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.

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.

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 that are untied are recognised when the legacy is received. Bequests that are tied are recognised as income in advance and recognised as revenue when the conditions of the tied bequest are met. 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.

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

2.3 Summary of significant accounting policies (continued)

l) Taxes (continued)

Goods and services tax (GST) (Continued)

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

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 normally revalued every 3 years. The territory council is undertaking a review of all property held by the Society. This review will be undertaken in 2019/20 and it is likely to lead to changes in the values of properties held by the Society. A valuation was due June 2019, as a consequence of the planned review no independent valuations have been undertaken for the 30 June 2019 financial accounts. The Society has obtained letters from Opteon relating to the valuations of 66% of the owned properties and has assessed the movements in property values between the written down property values and the values provided by Opteon are immaterial.

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 2019

4. Revenue and other income

4.1 Revenue

	2019	2018
	$	$
Government grants		
People in need services	2,091,990	1,311,829
Mental health and homeless services	2,598,897	2,679,640
	4,690,887	**3,991,469**
Sale of goods		
Sales - centres of charity	10,105,359	9,132,462
Sales - other	18,805	22,822
	10,124,164	**9,155,284**
Client contributions		
Homeless and mental health services	769,872	730,048
National Disability Insurance Scheme Contributions	439,186	470,076
	1,209,058	**1,200,124**
Fundraising		
Donations and appeals	**3,199,959**	**2,017,200**
Other revenue		
Interest income	158,344	47,413
Bequests	2,091,397	91,991
Sundry income	141,820	111,264
	2,391,561	**250,668**
Total revenue	**21,615,629**	**16,614,745**

4.2 Other income

	2019	2018
	$	$
Net gain on disposal of property, plant and equipment	**5,981**	**4,436**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

5. Expenses

Surplus for the year has been determined after:

	2019	2018
	$	$
5.1 Operating Expenses		
Centres of Charity		
Cost of Sales	61,643	85,724
Employee salaries & benefits	3,844,097	3,386,950
Property expenses	1,480,267	1,108,663
Motor vehicle expenses	155,234	125,847
Assistance provided	(106,322)	30,968
Administration expenses	518,303	447,917
Depreciation and amortisation expenses	398,993	361,071
Total centres of charity	**6,352,215**	**5,547,140**
Administration		
Employee salaries & benefits	2,617,139	1,863,068
Property expenses	392,111	374,951
Motor vehicle expenses	30,762	15,519
Assistance provided	(1,160)	(4,046)
Administration expenses	209,822	855,925
Depreciation and amortisation expenses	148,670	47,478
Total administration	**3,397,344**	**3,152,895**
Fundraising		
Employee salaries & benefits	420,925	336,548
Property expenses	910	(97)
Motor vehicle expenses	0	26
Assistance provided	14,731	0
Administration expenses	163,670	141,715
Depreciation and amortisation expenses	3,345	2,838
Total fundraising	**603,581**	**481,030**
Total operating expenses	**10,353,140**	**9,181,065**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

5. Expenses (continued)

5.2 Community services expenses

People in need services		
Employee salaries & benefits	1,410,329	1,231,025
Property expenses	26,074	11,941
Motor vehicle expenses	45,676	26,323
Assistance provided	2,188,805	1,405,323
Administration expenses	533,368	237,752
Depreciation and amortisation expenses	49,100	17,806
Total people in need services	**4,253,352**	**2,930,170**
Homeless and mental health services		
Employee salaries & benefits	2,775,447	2,654,596
Property expenses	550,551	556,955
Motor vehicle expenses	60,249	49,213
Assistance provided	81,726	54,798
Administration expenses	515,796	173,459
Depreciation and amortisation expenses	21,131	17,258
Total Homeless and mental health services	**4,004,900**	**3,506,279**
Total community services expenses	**8,258,252**	**6,436,449**

5.3 Related party expenses

Levies paid to National Council - related party	199,550	189,429
Total expenses	**18,810,942**	**15,806,943**

6. Cash and short-term deposits

	2019	2018
	$	$
Cash on hand	167,493	166,722
Cash at bank	4,642,998	2,969,210
Short-term deposits	4,500,000	3,700,000
	9,310,491	**6,835,932**

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

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

7. Trade and other receivables

	2019	2018
	$	$
Current		
Sundry debtors	59,160	320,102
Less: Provision for expected credit losses	(17,843)	-
GST receivable	27,508	21,275
	68,825	**341,377**
Property debtors	137,227	59,740
Less: Provision for expected credit losses	(103,219)	(59,339)
	34,008	**401**
Total trade and other receivables	**102,833**	**341,778**

Sundry Debtors

As at 30 June 2019, sundry debtors with an initial carrying value of $17,843 (2018: $nil) 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	-
Arisen during the year	17,843
At 30 June 2019	**17,843**

Property Debtors

As at 30 June 2019, property debtors with an initial carrying value of $103,219 (2018: $59,339) were impaired and fully provided for. See below the movements in the provision for expected credit losses of property debtors.

	Collectively impaired
	$
At 1 July 2017	**65,549**
Property debtors past due and impaired	59,339
Utilised	(65,549)
As at 30 June 2018	**59,339**
Utilised	-
Arisen during the year	43,880
At 30 June 2019	**103,219**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

8. Inventory

	2019	2018
	$	$
Inventory (Gift cards)	**53,117**	**30,795**

Stock on hand is made up of gift cards purchased but not yet issued to clients as at 30 June 2019.

9. Other assets

	2019	2018
	$	$
Current		
Prepayments	177,844	250,636
Accrued Income	119,761	51,147
	297,605	**301,783**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

10. Property, plant and equipment

	Land	Buildings	Make good asset	Furniture and plant equipment	Motor vehicles	Total
	$	$	$	$	$	$
Cost or valuation						
At 1 July 2018	2,075,200	7,838,478	75,513	2,430,284	1,125,951	13,545,426
Additions	-	171,282	10,000	825,653	190,464	1,197,399
Disposals	-	-	-	(9,125)	(22,729)	(31,854)
At 30 June 2019	**2,075,200**	**8,009,760**	**85,513**	**3,246,812**	**1,293,686**	**14,710,971**
Depreciation and impairment						
At 1 July 2018	-	424,319	36,573	1,347,410	904,710	2,713,012
Depreciation charge for the year	-	201,233	15,808	332,521	71,677	621,239
At 30 June 2019	**-**	**625,552**	**52,381**	**1,679,931**	**976,387**	**3,334,251**
Net book value						
At 30 June 2019	**2,075,200**	**7,384,208**	**33,132**	**1,566,881**	**317,299**	**11,376,720**
At 30 June 2018	**2,075,200**	**7,414,159**	**38,940**	**1,082,874**	**221,241**	**10,832,414**

The Society has obtained letters from Opteon relating to the valuations of 66% of the owned properties and has assessed the movements in property values between the written down property values and the values provided by Opteon are immaterial. No independent valuations have been undertaken for the 30 June 2019 financial accounts.

11. Trade and other payables

	2019	2018
	$	$
Current		
Trade payables	398,922	215,076
Other payables and accruals	465,392	430,351
GST payable	-	-
Grants in advance	351,035	340,394
Revenue in advance	24,333	206,628
	1,239,682	**1,192,450**

12. Provisions and employee benefit liabilities

	2019	2018
	$	$
Current		
Make good provision	85,513	75,513
Annual leave	599,977	616,308
Long service leave	121,179	151,187
	806,669	**843,008**
Non-current		
Deferred lease liability	206,513	234,556
Long service leave	21,101	16,752
	227,614	**251,308**

Movements in provisions:

	Provision for make good	Deferred lease liability	Total
	$	$	$
At 1 July 2018	75,513	234,556	310,069
Arising during the year	10,000	(28,043)	(18,043)
Utilised	-	-	-
At 30 June 2019	**85,513**	**206,513**	**292,026**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

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.

14. Related party disclosures

Transactions with related parties: Levies paid to National Council. This amounted to $199,550 (2018: $189,429).

Compensation of key management personnel of the Society

	2019	2018
	$	$
Total compensation paid to key management personnel	**1,351,286**	**1,341,916**

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 territory council members. Council members do not receive remuneration in their capacity as Territory Council members. Key management personnel consisted of 14 individuals (2018: 12).

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:

	2019	2018
	$	$
Not later than one year	1,029,673	691,193
Later than one year but not later than five years	1,788,114	2,463,740
Greater than five years	126,000	-
	2,943,787	**3,154,933**

Notes to the consolidated financial statements (continued)

For the year ended 30 June 2019

Capital commitments

The Society has the following capital expenditure commitments at 30 June 2019: $279,320 (2018: $nil). 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

The Society had no contingent assets or liabilities at 30 June 2019 (2018: $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.

18. Auditor's remuneration

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

	2019	2018
	$	$
Amounts received or due and receivable by Ernst & Young (Australia) for:		
Audit and report on the consolidated financial report	46,750	37,115
Other services in relation to the Society		
Preparation of financial reports	-	6,800
	46,750	**43,915**

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 2019 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
23 October 2019

Bernard Meadley
Treasurer
23 October 2019

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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 2019, 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 2019, 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 2019 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.

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.

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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.

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- 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 2019, 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 2019 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
23 October 2019