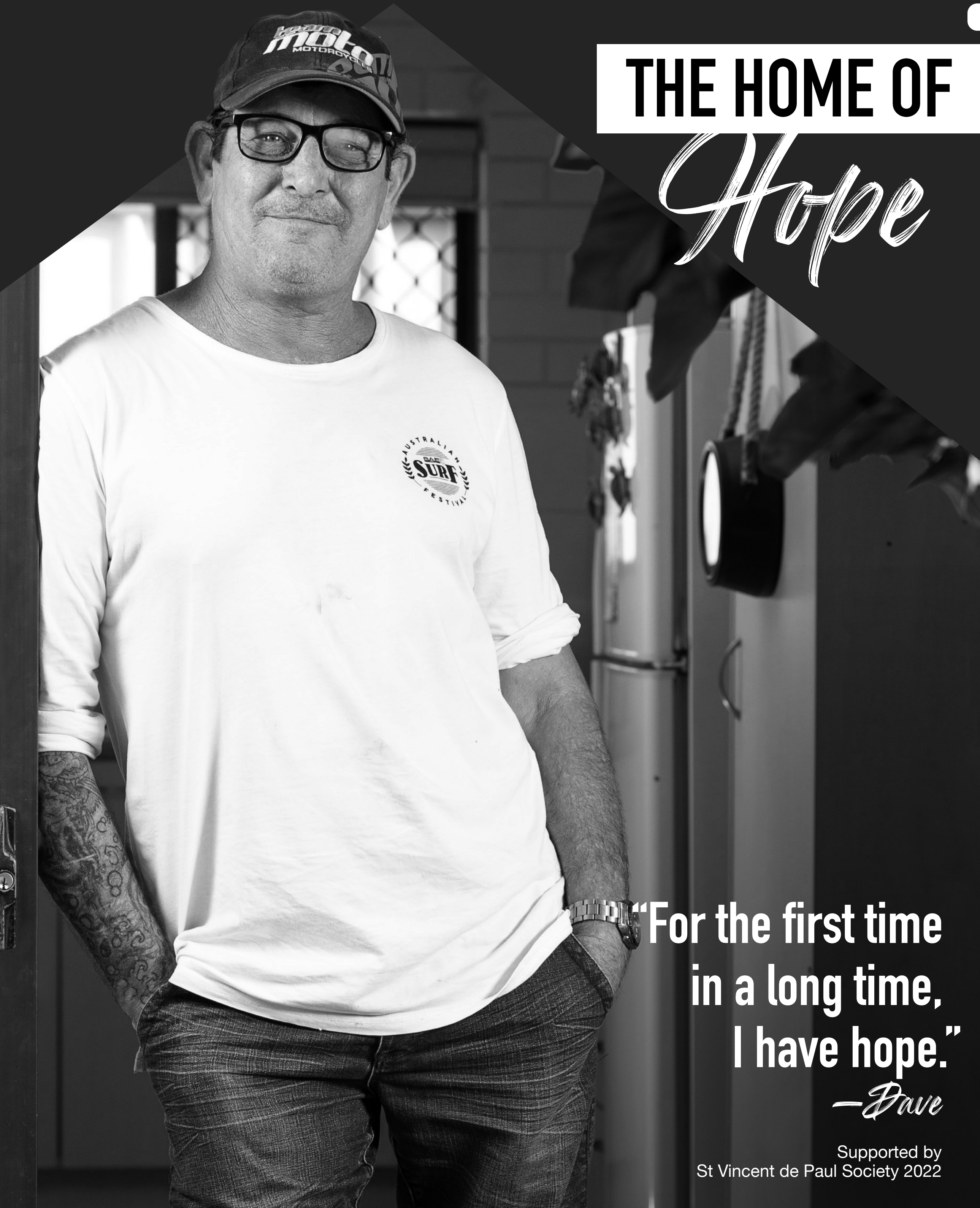
THE HOME OF *Hope*



"For the first time in a long time, I have hope."
—*Dave*

Supported by
St Vincent de Paul Society 2022

FINANCIAL REPORT
2021–22

St Vincent de Paul Society
QUEENSLAND
good works

STATEMENT BY STATE COUNCIL

St Vincent de Paul Society
QUEENSLAND
good works

Statement by State Council

The members of the State Council declare that:

1. The consolidated financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

    a. comply with Australian Accounting Standards – Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2013; and
    b. give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date.

2. In the Councillors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the State Council.

P. McMahon

Patricia McMahon
State President

Dan Carroll

Dan Carroll
State Treasurer

8th October 2022

INDEPENDENT AUDITOR'S REPORT

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of St Vincent de Paul Queensland

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of St Vincent de Paul Queensland (the Society) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Statement by the State Council.

In our opinion the accompanying financial report of St Vincent de Paul Queensland, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of 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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Responsibilities of State Council for the Financial Report

The State Council of the Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act, and for such internal control as the State Council determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

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

The State Council of the Group are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

A J Whyte
Director

Brisbane, 8 October 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	CONSOL 2022 $'000			CONSOL 2021 $'000		
	Revenue	Operating Expenses	Net surplus / (deficit)	Revenue	Operating Expenses	Net surplus / (deficit)
Community Services						
Child & Family Support	9,658	10,224	(566)	9,532	9,886	(354)
Homelessness	19,336	19,518	(182)	19,455	19,205	250
Help for People in Crisis	3,263	10,051	(6,788)	2,755	8,373	(5,618)
Natural Disaster Relief	4,656	1,523	3,133	1,644	512	1,132
Migrants, Refugees & Overseas	355	676	(321)	350	666	(316)
Youth	25	1,359	(1,334)	201	1,183	(982)
Community Housing	4,079	3,979	100	3,899	3,659	240
Aged Care	187,179	192,005	(4,826)	170,161	175,318	(5,157)
Community Care & Health	130,466	95,423	35,043	134,546	97,958	36,588
Private Hospital	21,445	20,729	716	8,433	8,397	36
	380,462	**355,487**	**24,975**	**350,976**	**325,157**	**25,819**
Supporting Services						
Fundraising	7,485	1,736	5,749	8,083	1,413	6,670
Administration	123	1,626	(1,503)	206	882	(676)
Operations	3,440	14,261	(10,821)	10,954	14,464	(3,510)
Retail	37,324	21,122	16,202	37,514	18,736	18,778
Warehouse	96	4,702	(4,606)	248	4,148	(3,900)
Membership Spiritual Development	0	1,058	(1,058)	87	946	(859)
	48,468	**44,505**	**3,963**	**57,092**	**40,589**	**16,503**
Shared Services						
Finance	5,800	8,786	(2,986)	4,600	9,109	(4,509)
Human Resource	-	2,246	(2,246)	47	1,709	(1,662)
Information Technology	-	9,138	(9,138)	25	8,071	(8,046)
Legal & Compliance	0	1,789	(1,789)	57	1,168	(1,111)
	5,800	**21,959**	**(16,159)**	**4,729**	**20,057**	**(15,328)**
	434,730	**421,951**	**12,779**	**412,797**	**385,803**	**26,994**
Total Surplus			**12,779**			**26,994**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Total Surplus brought forward		12,779	26,994
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Change in the fair value of financial assets		(8,923)	5,482
Transfer of (gain)/loss on disposal of financial assets		690	(2,435)
Other comprehensive income for the year		(8,233)	3,047
Total comprehensive income for the year		4,546	30,041

This financial statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Current assets			
Cash and cash equivalents	5	46,424	97,755
Trade and other receivables	6	15,234	12,742
Inventories		388	318
Other assets	7	6,915	4,103
Total current assets		**68,961**	**114,918**
Non-current assets			
Other assets	7	100	100
Property, plant and equipment	9(a)	560,366	497,995
Right of Use	9(b)	46,291	37,325
Investments at fair value through profit or loss	10	20,757	22,353
Other investments	11	159,350	129,068
Intangible assets	12	24,823	35,591
Investment Property	13	118,861	87,609
Total non-current assets		**930,548**	**810,041**
Total assets		**999,509**	**924,959**
Current liabilities			
Trade and other payables	14	41,799	49,115
Provisions	17	31,197	32,701
Borrowings	15	933	1,023
Lease Liabilities	16	16,605	16,607
Grants in advance	18	14,731	8,039
Residential liabilities	19	294,148	261,075
Deferred Consideration	20	5,000	5,000
Total current liabilities		**404,413**	**373,560**
Non-current liabilities			
Borrowings	15	40,149	4,889
Lease Liabilities	16	30,435	21,782
Provisions	17	7,063	5,882
Grants in advance	18	22,158	23,321
Deferred Consideration	20	6,840	11,620
Total non-current liabilities		**106,645**	**67,494**
Total liabilities		**511,058**	**441,054**
Net assets/(liabilities)		**488,451**	**483,905**
Equity			
Reserves	21	13,065	20,404
Accumulated funds	21	475,386	463,501
Total equity		**488,451**	**483,905**

This financial statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Reserves			Accumulated Funds	Total
		Property Revaluation Reserve	Mission Related Reserves	Financial Asset Reserve		
		$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2020		**7,110**	**9,739**	**272**	**436,743**	**453,864**
Total comprehensive income for the period						
Net surplus for the year 30 June 2021		-	-	-	26,994	26,994
Other comprehensive income						
Changes in the fair value of debt instruments at fair value through other comprehensive income		-	-	5,482	-	5,482
Transfer of gain on disposal of debt instruments at fair value through other comprehensive income to profit or loss	11	-	-	(2,435)	-	(2,435)
Total comprehensive income for the period		**-**	**-**	**3,047**	**26,994**	**30,041**
Transfer to Reserves		-	516	-	(516)	-
Reclassification adjustment on disposal of property		(280)	-	-	280	-
Balance at 30 June 2021	21	**6,830**	**10,255**	**3,319**	**463,501**	**483,905**
Total comprehensive income for the period						
Net surplus for the year 30 June 2022		-	-	-	12,779	12,779
Other comprehensive income						
Changes in the fair value of debt instruments at fair value through other comprehensive income			-	(8,923)	-	(8,923)
Transfer of (gain)/loss on disposal of debt instruments at fair value through other comprehensive income to profit or loss	11	-		690	-	690
Total comprehensive income for the period		**-**	**-**	**(8,233)**	**12,779**	**4,546**
Transfer to/from Reserves		-	894	-	(894)	-
Reclassification adjustment on disposal of property		-	-	-		-
Balance at 30 June 2022	21	**6,830**	**11,149**	**(4,914)**	**475,386**	**488,451**

This financial statement should be read in conjunction with the accompanying notes which includes accounting policies.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Cash flows from Operating Activities			
Receipts from operating activities		434,856	414,482
Payments to suppliers and employees		(401,792)	(365,571)
Interest received		2,694	3,299
Dividends received		1,085	671
Finance costs		(1,507)	(467)
Finance costs from leasing		(1,275)	(1,571)
Net cash provided by operating activities	26(b)	34,061	50,843
Cash flows from Investing Activities			
Proceeds - sale of property, plant and equipment		16,858	15,889
Proceeds - sale of financial assets		55,840	48,791
Proceeds from assets held for sale		-	2,490
Payment for financial assets		(100,455)	(43,737)
Payment for property, plant and equipment		(93,909)	(35,895)
Payment for Software		(901)	(363)
Payments For Acquisitions, net of cash acquired	30	(3,640)	(5,161)
Net cash used in investing activities		(126,207)	(17,986)
Cash flows from Financing Activities			
Proceeds from borrowings		38,100	-
Repayment of borrowings		(2,930)	(837)
Lease payment (principal)		(18,236)	(18,447)
Net contributions received/(refund) of resident liabilities		23,881	42,991
Net cash provided by financing activities		40,815	23,707
Net increase/ (decrease) in cash and cash equivalents		(51,331)	56,564
Cash and cash equivalents at the beginning of the financial year		97,755	41,191
Cash and cash equivalents at the end of the financial year	26(a)	46,424	97,755

This financial statement should be read in conjunction with the accompanying notes which includes accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

About this report

Corporate Information

The St Vincent de Paul Society Queensland, (the Society) is a non-government charitable organisation domiciled in Queensland. The financial report covers the economic activities of the Society in Queensland. The Society is a body incorporated under letters patent and has a number of subsidiary entities which are companies limited by guarantee. The consolidated financial statements and notes represent those of the Society and its controlled entities (the "consolidated group" or "group") of which the Society is the sole member.

The group is a deductible gift recipient (DGR).

The financial statements, which are presented in Australian dollars, were authorised for issue on 8 October 2022 by the State Council. All values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

The group is a non-profit entity for financial reporting purposes under Australian Accounting Standards.

Organisation Details

The registered office of the Incorporated Organisation is:

St Vincent de Paul Society Queensland
10 Merivale Street
South Brisbane Qld 4101

Note 1: General Accounting Policies

Basis of Preparation

Statement of compliance
The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board, the Aged Care Act 1997 and the Australian Charities and Not-for- profits Commission Act 2012. The Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards AIFRS. Due to the application of Australian specific provisions for not-for-profits entities contained only within Australian Accounting Standards, the financial report and notes thereto are not necessarily compliant with all International Financial Reporting Standards.

Adoption of new and revised accounting standards
The Society has adopted all new and revised accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. These did not have a material impact on the financial report on initial application.

New accounting standards not yet effective
There are no new/ amended accounting standards or interpretations issued which are not yet effective and that are likely to have a material impact on the group's financial report on initial application. The group intends to apply new standards from their application date.

Reporting basis and conventions
The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluations of selected financial assets, for which the fair value basis of accounting has been applied.

Key judgements and estimates
In the process of applying the group's accounting policies, management has made a number of judgements and applied estimates for future events. Judgements and estimates which are material to the financial report are found in the following notes:

Note 6	Trade and Other Receivables
Note 8	Assets Held for Sale
Note 9(a)	Property Plant & Equipment
Note 9(b)	Right-of-use assets
Note 10(a)	Investments at Fair Value
Note 12	Intangible Assets
Note 13	Investment Property
Note 16	Lease Liability
Note 17	Provisions
Note 20	Deferred Consideration
Note 24	Contingent Asset and Liabilities
Note 30	Delamore acquisition

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 1: General Accounting Policies (continued)

Bed Licenses

In May 2021 the Australian Government announced its intention to abolish bed licence restrictions and the Aged Care Approval Rounds ("ACAR") from 1 July 2024. As a result of announcements made in the Federal Budget and the release on 29 September 2021 by the Department of Health of the detailed discussion paper Improving Choice in Residential Aged Care – ACAR Discontinuation, bed licenses are now considered to have a finite life that is not expected to extend beyond 1 July 2024.

In accordance with Accounting Standards and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the group's current understanding of the relevant legislation and transitional arrangements relating to the removal of bed licenses, the group has reassessed the useful life of its bed licenses.

Consequently, the group has commenced amortising the value of bed licenses from the beginning of the year on a straight-line basis over their remaining economic life to 30 June 2024.

Fair values of assets and liabilities

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

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. It is based on the presumption that the transaction 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. The principal or most advantageous market must be accessible to, or by, the group.

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

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

In measuring fair value, the group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Income tax and Fringe benefit tax

The members of the group are not subject to Income Tax. They are entitled to a partial exemption from fringe benefits tax.

Inventory

Purchased inventories are valued at the lower of cost and current replacement cost. Any donated household goods received by the group and sold through our retail shops are not valued.

Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Subsidiary Entities

As of 30 June 2022, the group had two subsidiaries, Ozcare and St Vincent de Paul Society Queensland Housing, trading as Vinnies Housing. These are both companies limited by guarantee, of which the Society is the sole member.

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (the Society) and all the subsidiaries. Subsidiaries are entities the parent controls.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity on the accounting policies adopted by the group.

Business Combinations/acquisitions

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities under common control. The business combination is accounted for from the date control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred. In a business combination that does not involve the transfer of purchase consideration, the net assets of the subsidiary are recognised as a direct addition to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 1: General Accounting Policies (continued)

Working Capital

At balance date the statement of financial position discloses a deficiency in working capital, being excess of current liabilities over current assets of $335.45m (2021: $258.64m).

The working capital deficiency partially arises because of the requirement under Australian Accounting Standards to classify Resident Liabilities totalling $294.15m (2021: $261.08m) (note 19) as a current liability, whereas the assets to which they relate, Property, Plant & Equipment, Investment Properties and Other Investments are required to be classified as non-current assets.

Included in Resident Liabilities are Ingoing Contributions totalling $81.96m (2021: $61.53m), refer note 19. When a retirement village resident relinquishes the unit/apartment they occupied the entity is not required to pay the resident's exit entitlement (the ingoing contribution less the exit fee) until the unit/apartment has been sold to a new resident and the new ingoing contribution is received. Where a unit has not sold within 18 months of the resident's departure, the Company is required to buy back the unit from the outgoing resident (at market price).

The major portion of Resident Liabilities is accommodation bonds and refundable accommodation deposits of $212.19m (2021: $199.54m), (note 19). The timing of the obligation of accommodation bonds and refundable accommodation deposits will not practically all fall due within the next twelve months. Accommodation bonds become payable upon the departure of aged care residents. Historically, the turnover of the aged care residents has been approximately 20%-30% and it is unlikely that all residents will depart in the next twelve months to trigger a requirement to pay out the full liability.

Furthermore, the group has other financial assets valued at $159.35m (2021: $129.07m) (note 11), which are recognised as non-current assets, as they are not expected to be sold within the next 12 months. Whilst they are not expected to be sold within the next 12 months and are ultimately held for long term appreciation, if required, the entity can call upon these investments to fund repayments of Accommodation Bond (AB), Refundable Accommodation Deposits (RADs) and Entry Contribution liabilities.

After considering all available current information, the State Council has concluded that there are reasonable grounds to believe that the entity will be able to pay its debts as and when the fall due and payable and that preparation of the financial statements on a going concern basis is appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 2: Income

	Note	Consol 2022 $'000	Consol 2021 $'000
Revenue:			
Shop revenue	(i), (g)	37,941	37,723
Donations			
-General		7,157	7,008
-Disaster appeal	(a)	2,062	270
-Special appeal		661	287
	(h)	9,880	7,565
Bequests		3,086	4,067
Government Funding			
-General	(b), (h)	9,060	10,838
-Contract	(c), (g)	220,510	205,968
-Capital funding	(d), (g)	1,072	1,296
-Disaster funding	(a), (h)	1,737	1,384
-National Insurance Scheme	(g)	16,484	17,876
-COVID-19 Payments	(e), (h)	1,025	5,058
		249,888	242,420
Interest received on financial assets measured at amortised cost			
-Cash and cash equivalents		262	487
-Other financial assets		3,450	2,849
		3,712	3,336
Dividends received	10(b)	1,085	472
Contributions for Service	(g)	117,271	95,077
Daily accommodation payments	(g)	7,476	7,290
Imputed revenue on RAD and bond balances	(f), (g)	369	228
Other Revenue	(g)	1,836	8,677
Placement Fee	(g)	70	2
Revenue		432,614	406,857
Other Income			
-Gain/ (Loss) on sale of property, plant and equipment		4,748	784
-Gain/ (Loss) on financial assets at fair value through profit & loss	10(b)	(2,809)	3,468
-Gain on ROU assets from rent relaxation		177	146
-Provision for legal matters no longer required		-	1,542
		434,730	412,797

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Revenue
(a) Included in the Disaster appeal are the funds received for the Queensland Bushfire, Queensland Drought, South-East Queensland Flood and COVID-19 through both the group's fundraising efforts and the State and Federal Government grant funding.
(b) Operational General funds for government programs with "no specific performance" obligations are recognised in the period the funds are received.
(c) Contract Revenue is reported in compliance with AASB 15 for Grant revenue.
(d) Capital Funding comprises capital grants received in prior periods where there are clear and specific ongoing service obligations attached to the grant, are accounted for under AASB 15.
(e) COVID-19 Payments received include JobKeeper and Cash Flow Boost, and Aged Care support.
(f) RAD Rental Income (refer to Accounting Policy below)
(g) Total contract revenue in accordance with AASB15 Revenue from contracts with customers $233.14m (2021: $315.97m)
(h) Total income recognised in accordance with AASB 1058 Income of not-for-profit entities $16.75m (2021: $22.12m)
(i) Donated goods are a significant part of our retail operation. This can be shown in the difference between shop sales and cost of sales as follows:

Shop revenue	37,941	37,723
less: Cost of goods sold	(1,583)	(1,842)
Gross Profit	36,358	35,881

Economic dependency on government grants
In the pursuit of our work, the society receives financial assistance from the various governments to deliver its charitable programs. Government Funding makes up 57% (2021: 58%) of the total revenue. The sources of these funds are as follows:

Sources of Government Revenue

	Consol 2022 $'000	Consol 2021 $'000
Government revenue (including grants)		
Commonwealth government		
Department of Health	187,973	173,131
Department of Social Services	3,480	3,448
National Disability Insurance Scheme	16,484	17,876
Department of Home affairs	345	327
Australian Taxation Office	-	5,096
Various other departments	220	398
Total	208,502	200,276
State government		
Department of Communities, Housing & Digital Economy	17,649	18,544
Department of Children, Youth Justice and Multicultural Affairs	9,048	9,100
Queensland Health	6,345	7,780
Queensland Corrective Services	1,223	1,265
Department of Seniors, Disability Services and Aboriginal and Torres	6,171	3,868
Various other departments	508	1,545
Total	40,944	42,102
Various local governments	441	42
TOTAL	249,887	242,420

Ozcare's continued operation is dependent on ongoing Government subsidies which are subject to regular contractual reviews and/or accreditation requirements.

We acknowledge that departmental names may have changed from time to time.

Expiring contracts:
There are currently no expiring contract ending on 30 June 2022. Those contracts that were going to expire as at 30 June 2022 have been extended out to 30 June 2023 and 2025 respectively.

Contracts currently under negotiation:
Negotiations for a government contract renewal have commenced with the Queensland State Government Department of Communities, Housing & Digital Economy for the renewal of the State Emergency Relief funding and the Society has no reason to believe that the department will discontinue its support of the Society.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Accounting Policy
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Revenues are recognised net of the amount of GST. GST received during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in receipts from operating activities.The following specific recognition criteria must also be met before revenue is recognised:

Rendering of Service
Revenue from the rendering of services is recognised upon the delivery of the service.

Sale of goods
Revenue is recognised when the control of the goods has passed to the buyer.

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

Gifts in kind and volunteers
Gifts in kind and volunteer hours including probono work received by the group (including from solicitors, members, volunteers, etc) cannot be reliably measured by the group, and as such, revenue from donations of these goods and services are not included in the financial statements. Volunteers contribute substantially to the operations of the Society. Total volunteers supporting our good works were 7,478 (2021: 7,729)

Accommodation bond retentions and Exit fees
Accommodation bond retentions are recognised on a contractual basis and deducted from the Accommodation Bond liability balance.

Exit fees on retirement village assets is earned while the resident occupies the independent living unit and is recognised as income over the residents' expected tenure. The expected tenure is calculated with reference to Australian Bureau of Statistics current data relating to life expectancy and historical trends of roll-overs within the company. Exit fee revenue earnt reduces the existing Ingoing Contribution liability.

Government grants
Grants are principally of a recurrent or capital nature and intended to fund ongoing operations or asset acquisitions. Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligation is satisfied.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time generally revenue is recognised based on either cost or time incurred which best reflects the transfer of control.

Grant income arising from an agreement which does not contain enforceable and sufficiently specific performance obligations is recognised when the grant is received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Capital grants received under an enforceable agreement to enable the entity to acquire or construct an item of property, plant and equipment which will be controlled by the entity once complete; and where there are no ongoing specific service obligations attached to the capital grant, are recognised as revenue as and when the obligation to construct or purchase is complete.

JobKeeper payment was received from Federal government for the period 1 July to 30 Sept 2020. This relates to the COVID-19 pandemic and is disclosed separately above. Cashflow boost payments were made by the Federal Government to Vinnies Housing. All funds were received in compliance with legislative guidance and were acquitted in accordance with the requirements of the funding and were directly used to offset pandemic costs and support the Society's mission. Additional grant funds have been provided to community programs to assist with the additional demand on services due to Covid19. All entitlements have been taken up.

Interest revenue
Interest revenue is recognised on an accrual basis using the effective interest rate.

Dividends
Dividends are recognised when the group's right to receive payment is established.

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

Imputed revenue on refundable accommodation deposits (RAD) and bond balances
Under AASB 16 Leases, total revenue includes an imputed non-cash charge for accommodation in respect of residents who have chosen to pay a RAD and the corresponding finance costs representing the amount of interest expense saved on the interest-free loan. Because the RADs are interest-free only until the resident vacates the premises, the RAD balance is required to be discounted and measured at fair value. The group has determined the use of the RBA's Overnight Cash Rate as the interest rate used in the calculation of the discounting of the RAD balance. Because the repayment of the RAD is guaranteed by the Federal Government, there is no credit risk and therefore the appropriate discount rate is the RBA's Overnight Cash Rate.

Proceeds of non-current asset sales
The net gain from the sale of non-current assets is included as revenue when control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and net proceeds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 3: Operating Expenses

	Note	Consol 2022 $'000	Consol 2021 $'000
Specific required disclosures are:			
Employee benefits		248,411	228,079
Defined contribution superannuation expense		22,475	20,137
Depreciation of property, plant and equipment	9(a)	17,335	25,622
Impairment of property, plant and equipment	9(a)	-	3,715
Amortisation of make good provisions	9(a)	102	105
Amortisation of intangibles	12	11,964	2,022
Depreciation of investment property	13	2,356	3,995
Amortisation of right-of-use assets	9(b)	9,132	8,459
Rental expense			
-Minimum lease payments		601	426
Finance costs			
Lease interest expense		1,812	1,571
Accommodation bond/RAD interest expense	(a)	369	228
Other finance costs		691	534

(a) The group's RAD interest expense represents the amount of interest expense saved on the interest-free loan in respect of residents who have chosen to pay a RAD.

Accounting Policy
Goods and Services Tax (GST)
Expenses are recognised net of the amount of GST. GST paid during the financial year is stated at gross amounts in the Statement of Cash Flows and is included in payments to suppliers.

Note 4: Auditors' Remuneration

Amount paid to BDO for:		
Audit of financial report and grant financial returns	387	316
Indirect taxation services	17	61
Other advisory services	25	37
	429	414

Other advisory services above include IT, lease and remuneration related advisory services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 5: Cash and Cash Equivalents

	Note	Consol 2022 $'000	Consol 2021 $'000
Cash on hand		140	120
Cash at bank		42,656	94,400
Term deposits		2,325	1,820
Cash at bank - capital replacement fund		1,303	1,415
		46,424	97,755

(a) Cash at Bank - Capital Replacement Fund
Secured and restricted use Capital Replacement Fund accounts are established in terms of section 91 and 92 of the *Retirement Villages Act 1999* and cannot be used by the entity in its ordinary activities.

Accounting Policy
Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and deposits at call or with an *original maturity of less than three months* , which are subject to insignificant risks of changes in their value.

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

Note 6: Trade and Other Receivables

Trade and Other Receivables	15,234	12,742
	15,234	12,742

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

Goods and Services Tax (GST)
Assets are recognised net of the amount of GST. Receivables in the Consolidated Statement of Financial Position are shown inclusive of GST. GST received during the financial year is included as gross amounts in the Consolidated Statement of Cash Flows and is included in receipts from operating activities.

Provision for Impairment of receivables - expected credit loss
The group applies the simplified approach to providing for expected credit losses prescribed by AASB 9 Financial Instruments, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 7: Other Assets

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Current			
Prepayments		6,445	3,592
Accrued Income		470	511
		6,915	4,103
Non-Current			
Other Assets	(a)	100	100
		100	100

(a) A 10-year, no-interest loan was made to St Vincent de Paul Society Tasmania for $100,000 in February 2014, repayable by February 2024.

Accounting Policy

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after reporting date, which are classified as non-current.

Goods and Services Tax (GST)

Assets are recognised net of the amount of GST. GST received during the financial year is included as gross amounts in the Consolidated Statement of Cash Flows and is included in receipts from operating activities.

Note 8: Assets held for sale

	CONSOL 2022 $'000	CONSOL 2021 $'000
	-	-

Accounting Policy

Assets held for sale are those property assets that are expected to be sold within the next 12 months. There are no assets identified as held for sale as at 30 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 9: Property, Plant and Equipment

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Land and Buildings			
At Cost		533,103	528,285
Less accumulated depreciation		(89,690)	(80,198)
		443,413	448,087
Leasehold Improvements			
At Cost		12,387	12,400
Less accumulated depreciation		(8,474)	(8,239)
		3,913	4,161
Total Land and Buildings		447,326	452,248
Plant and Equipment			
At Cost		59,582	51,707
Less accumulated depreciation		(39,625)	(27,853)
Total Plant and Equipment		19,957	23,854
Work in Progress		92,952	21,677
Make Good Leased Premises			
At Cost		867	850
Less accumulated depreciation		(736)	(634)
Total Make Good Leased Premises		131	216
Total Property, Plant and Equipment		560,366	497,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 9: Property, Plant and Equipment (continued)

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Land & buildings			
Carrying amount at the beginning of the financial year		448,087	396,125
Additions		21,498	999
Additions through business acquisitions		-	47,610
Disposals		(976)	(241)
Transfers		(15,617)	20,241
Less depreciation		(9,579)	(16,647)
Carrying amount at the end of the financial year		443,413	448,087
Leasehold improvements			
Carrying amount at the beginning of the financial year		4,161	8,656
Additions		5	15
Disposals		(25)	(20)
Transfers		24	117
Less Impairment		-	(3,715)
Less depreciation		(251)	(892)
Carrying amount at the end of the financial year		3,914	4,161
Total Land and buildings			
Carrying amount at the beginning of the financial year		452,248	404,781
Additions		21,503	1,014
Additions through business acquisitions		-	47,610
Disposals		(1,001)	(261)
Transfers		(15,593)	20,358
Less Impairment		-	(3,715)
Less depreciation		(9,830)	(17,539)
Carrying amount at the end of the financial year		447,327	452,248

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 9: Property, Plant and Equipment (continued)

	Note	CONSOL 2022	CONSOL 2021
		$'000	$'000
Plant and equipment			
Carrying amount at the beginning of the financial year		23,854	24,320
Additions		4,655	9,155
Additions through business acquisitions		-	1,931
Disposals		(1,529)	(3,947)
Transfers		482	478
Less depreciation		(7,505)	(8,083)
Carrying amount at the end of the financial year		19,957	23,854
Work in progress			
Carrying amount at the beginning of the financial year		21,677	34,778
Additions		72,298	17,558
Disposals		(420)	(122)
Transfers		(207)	(30,330)
Transfer to Intangibles		(396)	(207)
Carrying amount at the end of the financial year		92,952	21,677
Make good leased premises			
Carrying amount at the beginning of the financial year		216	294
Additions		123	107
Disposals		(106)	(80)
Less depreciation	3	(102)	(105)
Carrying amount at the end of the financial year		131	216
Total Property, plant & equipment			
Carrying amount at the beginning of the financial year		497,995	464,173
Additions (excluding make good leased premises)		98,456	27,727
Additions through business acquisitions		-	49,541
Movement in make good leased premises (non-cash)		(85)	(78)
Disposals		(2,950)	(4,330)
Transfer to investment property		(15,318)	(9,494)
Transfer to intangibles	12	(396)	(207)
Less impairment	3	-	(3,715)
Less depreciation	3	(17,335)	(25,622)
Carrying amount at the end of the financial year		560,367	497,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 9(b): Right-of-use Assets

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Note 9(b): Right-of-use assets			
Right-of-use asset			
At Cost		64,032	52,147
Less accumulated amortisation		(17,741)	(14,822)
Total		46,291	37,325
Reconciliation			
Carrying amount at the beginning of the financial year		37,325	37,033
Additions		26,393	19,658
Disposals		(8,295)	(10,907)
Less amortisation	3	(9,132)	(8,459)
Carrying amount at the end of the financial year		46,291	37,325

Accounting Policy

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Work-in-progress is stated at cost and not depreciated. Depreciation on work-in-progress commences when the assets are ready for their intended use and reclassified to that category.

Leasehold improvements are depreciated over the shorter of either unexpired period of the lease or the estimated useful life of the improvements.

Depreciation is calculated on a straight-line basis over the estimated useful life of assets as follows:

Class of Property, Plant and Equipment and Right-of-use assets	***Depreciation Rates***
Buildings	*2.5 to 5%*
Leasehold Improvements	*Term of lease*
Plant & Equipment	*15% to 33%*
Right-of-use asset	*Term of lease including options*
Make Good Leased Premises	*initial lease period*

Right-of-use assets are amortised over the expected life of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 9(b): Right-of-use Assets (continued)

Impairment
At each reporting date, management review a number of factors affecting property, 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 asset's carrying value over its recoverable amounts is expensed in profit or loss as an impairment expense.

As the future economic benefits of the group's assets are not primarily dependent on their ability to generate net cash inflows, and if deprived of the asset, the group would replace the asset's remaining future economic benefits: 'value in use' is determined as the current replacement cost of the asset, rather than by using discounted future cash flows.

Current replacement cost is defined as the amount that would be required at the relevant time to replace the service capacity of an asset.

Goods and Services Tax (GST)
Assets are recognised net of the amount of GST.

Note 10: Investments at Fair Value Through Profit or Loss

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Listed investments - Primary markets			
-Australian Equities	10 (c)	7,481	7,661
-International Equities	10 (c)	7,051	8,955
-Preference Shares	10 (c)	1,172	1,004
Unlisted investments			
-Unlisted international managed funds	10 (c)	4,061	3,449
-Unlisted domestic managed funds	10 (c)	992	1,285
		20,757	22,354

(b) Return on Financial assets at fair value through profit or loss

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Recognised in surplus for the year:			
-Dividends received	2	1,085	472
-Gain/(Loss) on fair value	2	(2,809)	3,468
-Gain on sale		292	-
		(1,432)	3,940

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 10: Investments at Fair Value Through Profit or Loss (continued)

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
(c) Reconciliation of Financial assets			
Reconciliations of the carrying amounts of:			
Listed investments - Primary markets			
-Australian Equities			
Carrying amount at the beginning of the financial year		7,661	9,821
Additions		5,323	1,813
Disposals		(4,663)	(5,773)
Net revaluation increase/(decrease)		(840)	1,800
Carrying amount at the end of the financial year		7,481	7,661
-International Equities			
Carrying amount at the beginning of the financial year		8,955	476
Additions		1,796	8,063
Disposals		(2,743)	(348)
Net revaluation increase/(decrease)		(957)	764
Carrying amount at the end of the financial year		7,051	8,955
-Preference Shares			
Carrying amount at the beginning of the financial year		1,004	1,036
Additions		202	279
Disposals		-	(354)
Net revaluation increase/(decrease)		(34)	43
Carrying amount at the end of the financial year		1,172	1,004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 10: Investments at Fair Value Through Profit or Loss (continued)

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Unlisted Investments			
-Unlisted international managed funds			
Carrying amount at the beginning of the financial year		3,449	3,912
Additions		2,592	2,302
Disposals		(1,481)	(3,384)
Net revaluation increase/(decrease)		(499)	619
Carrying amount at the end of the financial year		4,061	3,449
-Unlisted domestic managed funds			
Carrying amount at the beginning of the financial year		1,285	802
Additions		423	741
Disposals		(529)	(500)
Net revaluation increase/(decrease)		(187)	242
Carrying amount at the end of the financial year		992	1,285
Summary			
Carrying amount at the beginning of the financial year		22,354	16,047
Additions		10,336	13,198
Disposals		(9,416)	(10,359)
Net revaluation increase/(decrease)		(2,517)	3,468
Carrying amount at the end of the financial year		20,757	22,354

Note 11: Other Investments

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Non-Current			
Fair value through other comprehensive income:			
Fixed and floating interest rate notes		159,350	129,068
		159,350	129,068

Accounting Policy

Classification of financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income (OCI) comprise debt securities where the contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Upon disposal of these debt securities, any balance within the financial asset revaluation reserve for these is reclassified to profit or loss. The amount reclassified was a loss of $0.69m (2021: gain $2.44m).

The fixed and floating interest rates notes are expected to be held to maturity (or close to maturity). The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments principal and interest on the principal amounts outstanding. Credit impairment losses are recognised in profit or loss and other changes in the carrying amount on remeasurement to fair value are recognised in OCI.

Classification of financial assets at amortised cost
The group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Classification of financial assets at fair value through profit or loss
Financial assets that are not measured at amortised cost or at fair value through other comprehensive income, are classified as financial assets at fair value through profit or loss. All gains and losses from these investments, and all fair value movements, are directly recognised through profit or loss.

Fair value
Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are recognised and measured at fair value on a recurring basis.

Valuation techniques used to determine fair values.
Listed investments : the fair value is determined by reference to quoted market bid prices at the close of business on the reporting date.
Interest bearing notes : fair value is determined using quoted prices or dealer quotes for similar instruments.
Funds under management : fair value is determined by the fund manager's value calculation using the value of the underlying investments at each reporting date.

Details regarding financial risk management are disclosed in Note 27(a) and 27(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 12: Intangible Assets

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Computer Software			
At Cost		10,939	9,743
Less accumulated amortisation software		(8,985)	(8,439)
		1,954	1,304
Aged Care Bed Licenses			
Fair Value on resumption of control of Ozcare		35,851	35,851
Less accumulated amortisation Bed Licence		(12,982)	(1,564)
		22,869	34,287
Total Intangible Assets		24,823	35,591

Reconciliations

Reconciliations of the carrying amounts of each class of intangible asset at the beginning and end of the current financial year are set out below:

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Computer Software			
Carrying amount at the beginning of the financial year		1,304	1,160
Additions		835	395
Disposals		(35)	-
Transfers		396	207
Less amortisation		(546)	(458)
Carrying amount at the end of the financial year		1,954	1,304
Aged Care Bed Licenses			
Carrying amount at the beginning of the financial year		34,287	35,851
Less amortisation		(11,418)	(1,564)
Carrying amount at the end of the financial year		22,869	34,287
Summary			
Carrying amount at the beginning of the financial year		35,591	37,011
Additions		835	395
Disposals		(35)	-
Transfers	9(a)	396	207
Less amortisation	3	(11,964)	(2,022)
Carrying amount at the end of the financial year		24,823	35,591

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Accounting Policy

Computer Software
Computer Software used in internal management systems, whether acquired or internally developed is stated at cost less amortisation. Computer Software is amortised on a straight line basis over its useful life.

Aged Care Bed licenses
Aged care bed licences are recorded at cost. Prior to May 2021 aged care bed licences were assessed as having an indefinite useful life as they were issued for an unlimited period, therefore were not amortised. Following the government announcement in 2021 that aged care bed licences and the Aged Care Approval Rounds will be abolished from 1 July 2024, the carrying amount of bed licences are amortised on a straight line basis from 1 May 2021 to 30 June 2024.

Impairment

The group assesses intangible assets at each reporting date by evaluating conditions specific to the group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 13: Investment Property

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Land & Buildings		127,102	93,494
Less accumulated depreciation		(8,241)	(5,885)
		118,861	87,609
Movement			
Carrying amount at the beginning of the financial year		87,609	7,472
Additions		1,466	11,924
Additions through asset acquisition/business combinations	30	16,748	62,713
Disposals		-	9,495
Transfer from property, plant and equipment		15,394	-
Less depreciation	3	(2,356)	(3,995)
Carrying amount at the end of the financial year		118,861	87,609

Accounting Policy

Retirement living community assets are classified as investment properties as they are held to earn revenues and capital appreciation over the long-term. These assets are comprised of independent living units, common facilities and integral plant and equipment.

Investment property is measured at cost less accumulated depreciation and impairment losses, including transaction costs. The buildings component is depreciated over a useful life of 40 years.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner occupation. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on date of change of use.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Impairment of Assets

At each reporting date, management review a number of factors affecting property, 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 asset's carrying value over its recoverable amounts is expensed in profit or loss as an impairment expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 14: Trade and Other Payables

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Trade and Other Creditors		20,389	15,588
Client Refund Held		16,033	26,490
Sundry Creditors		5,377	7,037
		41,799	49,115

Accounting Policy

Trade and other payables represent unpaid liabilities for goods received by and services provided to the Society prior to the end of the financial year. The amounts are unsecured and are normally settled within 14-30 days. Client funds held are recognised as a liability until services are provided to the client for which funds are held or are paid to another service provider at the request of the client. Client funds held are included in cash at bank and on deposit.

Goods and Services Tax (GST)

Payables are shown inclusive of GST. GST paid during the financial year is included as gross amounts in the Consolidated Statement of Cash Flows and is included in payments to suppliers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 15: Borrowings

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Current			
Borrowings		933	1,023
		933	1,023
Non- current			
Borrowings		40,149	4,889
		40,149	4,889
The carrying amounts of non-current assets pledged as security are:			
Freehold Land and Buildings		183,883	18,500

(a) Facility with Archdiocesan Development Fund (ADF)

The Society has approved facility limits with the ADF of $9.98m (2021: $12.91m). The drawn amount as at 30 June 2022 was $9.98m (2021: $5.91m) with an amount available to draw of $Nil (2021: $7.00m).

This facility is secured by a first mortgage, held by the ADF, over certain freehold properties owned by the Society at a carrying amount of $28.49m which are classified as property, plant and equipment. A covenant has been imposed requiring all operating funds of the Society that are surplus to the Society's normal day to day requirements, to be placed on deposit with the ADF. There has been no breach of this covenant by the Society.

(b) Market rate loan facility with Commonwealth Bank of Australia (CBA)

Ozcare entered into a market rate loan facility agreement with CBA during the year which offers multiple loan accounts under one limit. Each loan account gives Ozcare the option of a standard variable market interest rate or a range of interest rate risk management options to manage interest rate risk.

The agreement includes two market rate loan facilities, a contingent liability facility to assist with rental bond and bank guarantee requirements, and a corporate card facility with a total facility limit of $90.43m. Market rate loan facility No. 1 with a carrying amount of $31.10m, has a facility limit of $40.00m and an expiry date of 20 December 2024. Market rate loan facility No. 2 (yet to be drawn down), has a facility limit of $50.00m and an expiry date of 20 December 2025. Interest is calculated on the unpaid daily balance of the loan account and paid monthly.

Under the terms of the loan facilities, Ozcare must meet the following financial ratios:

- The interest cover ratio, calculated at the end of each quarter, must not be less than 3 times;
- The loan value ratio, calculated at the end of each quarter, must not exceed 60% of the ‘as is’ market value of the
- properties pledged as security; and
- The minimum liquidity to be at least $55.00m at all times.

The market rate loan facility is secured by first mortgages over 6 aged care facilities and 2 office buildings. The carrying amount of the land and buildings which are classified as property, plant and equipment at reporting date was $155.38m.

Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 16: Lease Liability

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Current			
Lease Liability		16,605	16,607
		16,605	16,607
Non- current			
Lease Liability		30,435	21,782
		30,435	21,782

The group has leases over buildings, vehicles and office equipment. Information relating to the leases in place and associated balances and transactions are provided below.

Accounting Policy

The group, as lessee recognises assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The group recognises a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.
Refer to Note 9(d) for right-of-use assets balances.

The group recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows.

Liabilities arising from a lease have been initially measured on a present value basis. This measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods when we were reasonably certain to exercise the option to extend the lease, or not to exercise an option to terminate the lease.

The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group has elected to apply the exceptions to lease accounting for leases of low-value assets.

For these leases, the group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Maturity Analysis for Lease liabilities

	CONSOL 2022 $'000	CONSOL 2021 $'000
Less than 1 year	18,132	17,699
1 - 5 years	19,713	15,690
Over 5 years	15,396	9,594
Total undiscounted lease liabilities	53,241	42,983

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 17: Provisions

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Current			
Employee entitlements annual leave		21,336	20,742
Employee entitlements long service leave		9,861	11,959
		31,197	32,701
Non- current			
Employee entitlements long service leave		6,196	5,032
Make good leased premises		867	850
		7,063	5,882

Accounting Policy

Employee Entitlements

Sick leave is non-vesting and no provision has been made.

The provision for annual leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the reporting date. The liability is recognised as current and non-current provisions dependent on the unconditional right to settlement of the liability within 12 months after the reporting date. The provision is calculated using expected future increases in wage and salary rates, expected settlement dates and is discounted using the rates attaching to corporate bonds at reporting date.

The provision for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the reporting date, net of any amounts expected to be recovered from Q-Leave under the portable long service leave scheme. The liability for long service leave is recognised as current and non-current provisions, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Other Provisions

Provisions for service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 18: Grants in Advance

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Current			
Government grants in advance - operational		13,938	7,246
Government grants in advance - capital		793	793
		14,731	8,039
Non- current			
Government grants in advance - capital		22,158	23,321
		22,158	23,321

Accounting Policy

Refer to note 2 for the accounting policy pertaining to grants.

Note 19: Resident Liabilities

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Current			
Accommodation Bond and Refundable Accommodation Deposits		212,188	199,542
Ingoing Contributions		81,960	61,533
		294,148	261,075

Accounting Policy

Accommodation bonds

An Accommodation Bond as governed by the Aged Care Act 1997 is an amount of money payable for entry to Ozcare by residents who enter permanent care at a low level care; and if they are eligible to pay. It is in addition to the standard resident contribution and any income tested fee that may apply to the resident. Accommodation Bonds are recognised as a liability net of retentions receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Refundable Accommodation Deposits

A Refundable Accommodation Deposit (RAD), as governed by the *Aged Care Act 1997* , is an amount of money payable for entry to Ozcare by any resident who, in terms of a Commonwealth asset and income assessment, is eligible to pay. It is in addition to the standard resident contribution and any means tested care fee that may apply to the resident. RADs are recognised as a liability only upon receipt of the deposit.

Residents can choose to pay a RAD as a lump sum, a daily accommodation payment, or a combination of both. The service provider must, if instructed by the care recipient, deduct from the RAD (whether fully or partly paid), the daily accommodation payment and may, in its sole discretion and upon receiving a request from the care recipient, agree to the deduction from the RAD of any other amount.

Any deductions from the RAD bear interest at the maximum permissible interest rate as set by the Commonwealth Government. The balance of the RAD is refunded to the resident, or their estate, on departure. Service providers may also retain any interest they derive from RADs. A RAD is refundable within a maximum of 14 days of departure of the resident or, in the case of death, within 14 days of our receipt of formal notification of grant of probate.

Ingoing Contributions

Retirement village residents pay an Ingoing Contribution to the entity in exchange for the exclusive use of an independent living unit. Ingoing Contributions are refundable to a departed resident following sale of the respective unit and receipt of an Ingoing Contribution from the new resident. Ingoing Contribution liability is recorded net of exit fees receivable.

Current classification

Accommodation Bonds, RADs and Ingoing Contributions are classified as current liabilities in the statement of financial position. Based on historical trends and experience it is likely that the majority of the liability recognised will not be payable within 12 months, however there is no unconditional right to defer settlement of the liability for more than 12 months and, therefore, the liability is recognised as current in its entirety.

Note 20: Deferred Consideration

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Current			
Deferred Consideration - Canossa Acquisition		5,000	5,000
		5,000	5,000
Non-current			
Deferred Consideration - Canossa Acquisition		6,840	11,620
		6,840	11,620

Deferred consideration relates to the acquisition of the Canossa business on 1 December 2020. The contracted deferred consideration amounts (undiscounted) to be paid to the Canossian Sisters are as follows:

1 December 2022	5,000
1 December 2023	4,000
1 December 2024	3,200
	12,200

Accounting Policy

The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The increase in the deferred consideration liability resulting from the passage of time is recognised as a finance cost. Ozcare has adopted its borrowing rate of 1.5% to calculate the net present value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 21: Equity

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Financial Asset Revaluation Reserve		(4,914)	3,319
Mission Related Reserve		11,149	10,255
Property Revaluation Reserve		6,830	6,830
Accumulated Funds		475,386	463,501
		488,451	483,905

Accounting Policy

Financial asset revaluation reserve:
The financial asset revaluation reserve records increments and decrements on the revaluation of financial assets classified as financial assets at fair value through other comprehensive income. Upon disposal of these financial assets, any balance within the financial asset revaluation reserve is reclassified to profit or loss.

Mission related reserves:
Mission related reserves have been created to fund ongoing mission in the areas of retail for fitouts of stores, children's education and additional housing stock.

Property revaluation reserve
The property revaluation reserve records increments and decrements on the revaluation of individual parcels of land and buildings when revaluations have been performed previously, and prior to the adoption of AIFRS in 2003. When individual parcels of land and buildings are sold, any balance in the revaluation reserve pertaining to those land and buildings is transferred to accumulated funds. Transfers for land and buildings sold during the year amounted to $0.04m (2021: $0.29m).

Note 22: Interest in Subsidiaries

Subsidiary Entities
As of 30 June 2022, the Society had two subsidiaries, Ozcare and St Vincent de Paul Society Queensland Housing Limited, trading as Vinnies Housing. These are both companies limited by guarantee, of which the Society is the sole member.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 23: Parent Note

Following is a high level summary of key information for the parent entity on a stand-alone basis:

	Note	SVDP 2022 $'000	SVDP 2021 $'000
Total comprehensive income for the year		6,114	17,670
Total current assets		36,408	43,749
Total non-current assets		160,695	135,799
Total assets		197,103	179,548
Total current liabilities		22,598	23,675
Total non-current liabilities		44,277	31,568
Total liabilities		66,875	55,243
Net assets/(liabilities)		130,228	124,305
Total equity		130,228	124,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 24: Contingent Assets & Contingent Liabilities

At 30 June 2022, the group had a contingent liability in relation to possible future claims made 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 for potential claims cannot be reliably estimated as at 30 June 2022.

Note 25: Commitments

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Capital commitments			
Capital Expenditure projects contracted		49,397	120,880
Capital Expenditure Commitments			
Contracted for:			
Not later than one year		49,397	91,476
Later than one year but not later than 5 years		-	29,404
Total Capital expenditure commitments		49,397	120,880

Commitments include the extensions to current Hervey Bay village and the Newstead development (stage 1) that will replace the current Palm Lodge aged care facility and include a new retirement village. Conditional contracts to purchase land at Nerang and Bundaberg have been entered into for community housing development.

Subsequent to year-end, year-end capital expenditure totalling $60.61m has been contracted for representing stage 2 of the Newstead development (Refer Note 28). This is in addition to the amounts disclosed above.

Accounting Policy

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources.

They are different from liabilities, in that they lack the element of a present obligation, and therefore arise at separate points on the time-line in the process of incurring a liability.

The point at which a commitment becomes a liability is generally when the intention to sacrifice future resources becomes a present obligation.

This would normally occur when:
- there is firm agreement;
- it is probable that either party to the agreement would suffer a loss from cancellation by the other party; and
- it is probable that the other party would succeed in any action to secure performance or significant compensation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 26: Notes to the Statement of Cash Flows

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
(a) Reconciliation of Cash			
Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Balance per Statement of Cash Flows		46,424	97,755
(b) Reconciliation of cash flow from operations with the net surplus			
Net Surplus		**12,779**	**26,994**
Non-cash flows in operating surplus			
Depreciation/Amortisation	3	40,889	40,204
Net (gain) on sale of fixed assets	2	(4,748)	(784)
Rent concession on Lease Liabilities		(177)	(239)
Bequest received in shares		(815)	-
Net fair value loss/(gain) on financial assets	2	2,809	(3,468)
Net loss/ (gain) on sale of financial assets at fair value through other comprehensive income		690	(2,435)
Net (gain)/loss on restructure		-	3,715
Accommodation bond retentions and exit fees		(3,872)	(4,766)
Other non-cash items		656	(4)
Changes in assets and liabilities			
(Increase)/ decrease in trade and other receivables		(2,402)	(2,477)
(Increase)/ decrease in other assets		(2,295)	(686)
(Increase)/ decrease in inventories		(588)	(282)
Increase/ (decrease) in trade and other payables		(8,482)	(5,730)
Increase/ (decrease) in provisions		(383)	801
Cash flows provided by operating activities		34,061	50,843

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 27: Financial Risk Management

General Objectives, Policies and Processes

In common with similar organisations, the group is exposed to risks that arise from its use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises:

- Cash and cash equivalents
- Trade and other receivables
- Trade and other payables
- Government Grants and loans
- Accommodation Bonds
- Borrowings
- Financial assets at fair value through profit or loss
- Financial assets a fair value through other comprehensive income
- Financial assets at amortised cost

The State Council has overall responsibility for the determination of the group's risk management objectives and policies.

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligations resulting in the group incurring a financial loss. This usually occurs when debtors or counter parties to contracts fail to settle their obligations owing to the group.

The maximum exposure to credit risk at balance date, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets as indicated in the Statement of Financial Position and is as follows:

	Note	CONSOL 2022 $'000	CONSOL 2021 $'000
Cash and cash equivalents	5	46,424	97,755
Trade and other receivables	6	15,234	12,742
Investments at fair value through profit or loss	10	20,757	22,353
Financial assets at fair value through other comprehensive income	11	159,350	129,068
		241,765	261,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(a) Credit risk (continued)

Cash and cash equivalents

Cash and cash equivalents are deposited by members of the Group with the Commonwealth, Westpac, ANZ and NAB banks, various Queensland Catholic Development Funds and small financial institutions throughout regional Queensland.

Trade and other receivables

Within trade and other receivables, the federal and state governments are the largest debtors through GST and government funding receivables. The Society's no interest loans scheme has outstanding receivables of $0.27m (2021: $0.25m). Credit risk associated with trade and other receivables is monitored by the monthly review of trade debtor listings.

Investments at fair value through profit or loss

The group's investments at fair value through to profit or loss are disclosed in Note 10. No one investment product is greater than 6% of the portfolio at the time of investing. Investments are diversified and are exposed to defensive and growth assets.

Listed interest rate securities consist primarily of Australian hybrid securities such as convertible notes and types of preference shares that provide a return based on quoted interest rates.

The Finance Committee manages the risk and return of the Society's financial assets in line with the National Investment Policy of the Society of St Vincent de Paul.

Throughout the financial year the Finance Committee employed independent advisors, who manage the Society's investments in line with State Council's approved investment policy which adheres to the National Investment Policy. Those advisors have reported monthly, to management; and quarterly, to the Finance Committee.

Risk is managed by monthly reviews of investment holdings, policy compliance, economic updates and reviewing the long term cash needs of the Society. The committee monitors the quality of investments taking into consideration areas such as credit ratings, returns and investment objectives.

Other investments

The Other investments consist mainly of short-term deposits and bank bills.

For the financial assets managed by Ozcare, the Board of Directors and Senior Management of Ozcare are responsible for monitoring and managing financial risks. Senior Management regularly review investments and borrowings and seek advice from an independent investment research and advisory firm. The Board reviews investments at each meeting and receives a quarterly portfolio report from the independent investment research and advisory firm.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 27: Financial Risk Management (continued)

(b) Market risk

The group does not have any material exposure to market risks other than interest rate, price and currency risks.

The policies and procedures for managing price risk are similar to those for managing credit risk as detailed in Note 27(a)

Interest rate risk

Interest rate risk arises from the use of interest bearing financial instruments. It is the risk that fair value for future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The group monitors its interest rate exposure continuously. Total financial assets that earned interest at a floating rate is $205.77m as at 30 June 2022 (2021: $226.82m). Total financial liabilities that are charged interest at a floating rate are $41.08m as at 30 June 2022 (2021: $5.91m).

Price risk

The group invests in publicly traded investments including listed equities, unlisted managed funds and bonds and in doing so it exposes itself to the fluctuations in price that are inherent in such markets. Any investment decisions must be approved by the Board/ State Council. To limit its price risk, the group holds a diversified portfolio and the Board/ State Council makes investment decisions on advice from professional advisors.

Currency risk

The group is exposed to currency risk in relation to its investments in international investments. To limit its currency risk the group's Finance Committees monitor currency movements and the impact on fair values of investments before any redemption transactions are made.

Note 28: Events Subsequent to Reporting Date

Ozcare incurred COVID-19 outbreak costs during the financial year including incremental staff expenses, personal protective equipment, infection prevention and control, and employee welfare. Subsequent to 30 June 2022, under the COVID-19 Aged Care Support Program with The Department of Health and Aged Care, Ozcare has applied to government for funding totalling $1.40m for all the impacted services. The Department of Health and Aged Care has advised of ongoing delays in processing COVID-19 outbreak claims and once the grant monies are approved by The Department, Ozcare will recognise these amounts as revenue.

Subsequent to year-end, Ozcare capital expenditure totalling $60.61m has been contracted for representing stage 2 of the Newstead development (Refer Note 25).

There are no other matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the group in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 29: Related Party Transactions

The names of persons who were State Councillors/ Directors at any time during the financial year are as follows:

State Council of St Vincent de Paul Queensland	Board of directors Ozcare	Board of directors Vinnies Housing
	For the period:	
Patricia McMahon (commenced as President June 2022)	John Thomas (Chair)	Gregory Coghlan (Chair)
Alister Crocker	Christine McMillan (commenced January 2022)	Annette Baker
Amanda Rickman	David Masters	Gary Searle
Annette Baker (ceased May 2022)	Declan Rooney	Nicholas O'Conner
Beryl Rowan (commenced April 2022)	Glynis Schulz	Sonya Ryan
Brian Headford	John Forrest	
Dan Carroll	Michael Gilmour (ceased July 2021)	
Dennis Innes (retired as President but appointed as Vice President)	Peter Driver	
Garry Webb (ceased December 2021)	Susan Dann	
John Blake (commenced January 2022)	Robert Baker (commenced January 2022)	
John Harrison (ceased April 2022)		
John Hollamby		
John Thomas		
Lachlan Dent (ceased December 2021)		
Margaret Lawton (ceased December 2021)		
Matt Nunan (ceased May 2022)		
Philip Cranny		
Susan Dann (commenced June 2022)		
Shane Blakely (commenced December 2021)		
Stephanie Veitch (commenced January 2022)		
Veronica Innes		

No State Councillor/Director has entered into a material contract with any entity within the group since the end of the previous financial year and there were no material contracts involving State Councillors'/Directors' interests existing at year end. State Councillors and directors may have family members or relatives who utilise the services that the group provides. Such transactions are conducted at arms' length.

Other than expense reimbursement State Councillors and directors do not receive any direct remuneration, however minor fringe benefits exist on motor vehicle usage, professional membership and training and is included in the figure below.

Other key management personnel as at 30 June 2022 were:

St Vincent de Paul Society Queensland	Ozcare	Vinnies Housing
Kevin Mercer *Chief Executive Officer*	Anthony Godfrey - *Chief Executive Officer*	Sharon Shearsmith *Chief Executive Officer*
Deborah Nisbet *General Manager - Finance & Business Services*	Damian Foley - *Chief Operating Officer*	
Joe Duskovic *General Manager - Governance & Risk*	Dinuke Christie-David - *Chief Financial Officer*	
Jackie Youngblutt *General Manager - Programs*	Russell Young - *Group Manager Construction & Property*	
Kirstin Hinchliffe *General Manager - People & Safety*	Joel Reading - *Group Manager Risk & Compliance*	
Anthony Nowak *General Manager - Fundraising, Marketing and Communications*	Brett Warhurst - *Group Manager People*	
Drew Eide *General Manager - Operations*	Sarah Chapman - *Head of Brand & Communication*	
Samantha Hill *Director of Mission*	John Scurr - *Chief Information Officer*	

Key management personnel remuneration, including Councillors/Directors, includes reportable fringe benefits on motor vehicles supplied:

	CONSOL 2022	CONSOL 2021
	$'000	$'000
Remuneration including reportable fringe benefits on motor vehicles:	4,697	4,486

Transactions with Ozcare during the financial year include $0.06m (2021: $0.57m) of fund reimbursement for transitioned program's costs paid by Ozcare on the Society's behalf.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Vinnies Housing

The transactions with Vinnies Housing have been by the way of management of housing stock owned by the Society. A fee of 15% of income is paid for this service. All surplus from the Society owned housing stock is returned to the Society. Amounts of $0.08m (2021: $0.11m) have been received this year from Vinnies Housing for surplus from housing operations.

MOU between the Society, Vinnies Housing & Government

A Memorandum Of Understanding has been signed by the Society & Vinnies Housing, covering the management of the housing for both Society owned and properties owned by others including the State Government.

The State Government has yet to transfer all leases to Vinnies Housing as the legal agreement is currently being reviewed.

Transactions with other St Vincent de Paul Societies within Australia

Brought to account in arriving at the surplus for the year are net payments made of $0.77m (2021: $0.96m) to St Vincent de Paul Society entities outside Queensland. These include payments made to National Council for Levies and Twinning, and payments of Disaster funds to National Council, NSW State Council and Canberra- Goulburn Territory Council. It also includes receipts from St Vincent de Paul Society Northern Territory for support services provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 30: Delamore Acquisitions

On 28th February 2022 Ozcare acquired the Delamore Retirement Community (‘Delamore Acquisition’) from The Institute of the Missionary Franciscan Sisters of the Immaculate Conception for a purchase price of $3.75m (after adjustments).

Details of the acquisition are as follows:

	Note	$'000
Cash and cash equivalents – capital replacement		112
Investment Property - Land	13	3,400
Investment Property - Buildings	13	13,348
Resident liabilities - Ingoing Contributions - Retirement Village		(13,065)
Employee benefits provision		(43)
Net assets acquired		3,752
Goodwill		-
Acquisition-date fair value of the total consideration transferred		3,752
Representing:		
- Cash Paid		3,800
- Cash received by vendor (adjustments)		(48)
		3,752
Acquisition costs expensed to profit or loss		29

The Group recorded no goodwill or bargain purchase on this acquisition.

Accounting Policy

The acquisition method of accounting is used to account for business combinations, unless it is a combination involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired.

On the acquisition of a business, the group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the company's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre- existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

An acquisition that does not constitute a business
The acquisition of an asset or a group of assets of an entity that does not constitute a business is not a business combination. In such cases the individual assets acquired and liabilities assumed are identified. The cost of the acquisition has been allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of the purchase. Such a transaction does not give rise to goodwill.

Significant estimates and judgement- Fair value of net assets acquired
Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the company taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Delamore Retirement Community is an investment property and does not constitute a business under AASB3. The individual assets and liabilities identified have been recognised at cost and no goodwill has been recognised.

HOW YOU CAN *Help*

To offer a financial donation
or leave a gift in your Will email:
qld.donations@svdpqld.org.au
or call **13 18 12**

For general information visit:
qld.vinnies.org.au
ozcare.org.au

For help to volunteer or donate
furniture/goods call:
1800 VINNIES | 1800 846 643
or for help or to volunteer
1800 OZCARE | 1800 692 273

Be part of our online community
at www.vinnies.org.au

/vinniesqld

@vinniesqld

ozcare.org.au

/ozcareaustralia

St Vincent de Paul Society
QUEENSLAND
good works