St Vincent de Paul Society
QUEENSLAND
good works

EVERYONE DESERVES A Home

St Vincent de Paul Society Queensland
Annual Financial Report 2020–21

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 – Reduced Disclosure Requirements 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 2021 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.

Dennis Innes
State President

9th October 2021

Dan Carroll
State Treasurer

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INDEPENDENT AUDITOR'S REPORT

To the members of St Vincent De Paul Society Queensland

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of St Vincent De Paul Society Queensland (the Society) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 State Council.

In our opinion the accompanying financial report of St Vincent De Paul Society 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 2021 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements 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

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

In preparing the financial report, State Council is 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.

State Council is 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, 9 October 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	CONSOL 2021 $			CONSOL 2020 $		
	REVENUE	OPERATING EXPENSES	NET SURPLUS / (DEFICIT)	REVENUE	OPERATING EXPENSES	NET SURPLUS / (DEFICIT)
Community Services						
Child & Family Support	9,530,864	9,887,890	(357,026)	8,677,285	8,517,201	160,084
Homelessness	19,454,708	19,205,376	249,332	18,203,746	18,628,396	(424,651)
Help for People in Crisis	2,755,211	8,373,195	(5,617,984)	3,174,698	8,479,057	(5,304,359)
Natural Disaster Relief	1,644,338	512,467	1,131,871	3,525,896	2,343,040	1,182,856
Migrants, Refugees & Overseas	350,331	665,902	(315,571)	307,963	589,693	(281,730)
Youth	201,456	1,182,601	(981,145)	152,286	1,526,994	(1,374,708)
Community Housing	3,899,264	3,658,852	240,412	3,796,894	3,687,831	109,064
Aged Care	170,161,065	175,066,631	(4,905,566)	132,738,667	128,622,557	4,116,110
Community Care & Health	134,280,102	105,025,564	29,254,538	130,177,901	100,310,626	29,867,276
Private Hospital	8,432,815	8,375,669	57,146	-	-	-
	350,710,154	**331,954,147**	**18,756,007**	**300,755,337**	**272,705,395**	**28,049,942**
Supporting Services						
Fundraising	8,083,064	1,412,720	6,670,344	5,385,818	1,090,434	4,295,384
Administration	205,678	882,353	(676,675)	267,813	953,532	(685,719)
Operations	10,953,710	14,308,609	(3,354,899)	5,066,330	16,317,061	(11,250,731)
Retail	37,513,534	18,736,175	18,777,359	30,046,024	18,353,796	11,692,228
Warehouse	248,182	4,147,896	(3,899,714)	1,204,019	5,093,658	(3,889,639)
Membership Spiritual Development	87,000	945,637	(858,637)	94,542	939,998	(845,456)
	57,091,168	**40,433,390**	**16,657,778**	**42,064,546**	**42,748,479**	**(683,933)**
Shared Services						
Finance	8,927,132	6,282,965	2,644,167	5,068,192	5,502,583	(434,391)
Human Resource	47,250	1,829,610	(1,782,360)	60,300	1,927,525	(1,867,225)
Information Technology	25,200	8,082,902	(8,057,702)	20,150	7,496,771	(7,476,621)
Legal & Compliance	56,927	1,280,772	(1,223,845)	60,325	1,084,700	(1,024,375)
	9,056,509	**17,476,249**	**(8,419,740)**	**5,208,967**	**16,011,579**	**(10,802,612)**
	416,857,831	**389,863,786**	**26,994,045**	**348,028,850**	**331,465,453**	**16,563,397**
Total Surplus			**26,994,045**			**16,563,397**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	CONSOL 2021 $	CONSOL 2020 $
		NET SURPLUS / (DEFICIT)	NET SURPLUS / (DEFICIT)
Total Surplus brought forward	2,3	26,994,045	16,563,397
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Change in the fair value of financial assets	11	5,482,374	(1,660,730)
Transfer of gain on disposal of financial assets	10	(2,435,374)	(72,927)
Other comprehensive income for the year		3,047,000	(1,733,657)
Total comprehensive income for the year		**30,041,045**	**14,829,740**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Current assets			
Cash and cash equivalents	5	97,755,315	41,191,034
Trade and other receivables	6	12,742,213	8,979,360
Inventories		318,302	35,818
Other financial assets	7	4,102,531	3,345,875
Assets held for sale	8	-	2,279,546
Total current assets		**114,918,361**	**55,831,633**
Non-current assets			
Other assets	7	100,000	100,000
Property, plant and equipment	9(a)	497,994,797	464,173,008
Right-of-use assets	9(b)	37,325,073	37,033,425
Investments at fair value through profit or loss	10	22,352,826	16,046,208
Other investments	11	129,067,799	131,461,743
Intangible assets	12	35,590,628	37,010,774
Investment property	13	87,608,627	7,471,853
Total non-current assets		**810,039,750**	**693,297,011**
Total assets		**924,958,111**	**749,128,644**
Current liabilities			
Trade and other payables	14	49,115,744	36,998,634
Provisions	17	32,701,083	28,181,075
Borrowings	15	1,022,753	249,508
Lease liabilities	16	16,606,663	17,333,607
Grants in advance	18	8,038,960	17,995,555
Residential liabilities	19	261,075,160	140,372,225
Deferred consideration	20	5,000,000	-
Total current liabilities		**373,560,363**	**241,130,604**
Non-current liabilities			
Borrowings	15	4,889,241	6,259,678
Lease liabilities	16	21,781,646	19,996,735
Provisions	17	5,881,526	5,961,246
Grants in advance	18	23,320,648	21,916,292
Deferred consideration	20	11,619,552	-
Total non-current liabilities		**67,492,614**	**54,133,951**
Total liabilities		**441,052,977**	**295,264,555**
Net assets/(liabilities)		**483,905,134**	**453,864,0**
Equity			
Reserves	21	20,404,608	17,121,230
Accumulated funds	21	463,500,526	436,742,859
Total equity		**483,905,134**	**453,864,089**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	RESERVES			ACCUMULATED FUNDS	TOTAL
		$	$	$	$	$
		PROPERTY REVALUATION RESERVE	MISSION RELATED RESERVE	FINANCIAL ASSET RESERVE		
Balance at 30 June 2019		**7,336,527**	**6,129,416**	**2,005,452**	**421,943,783**	**437,415,178**
Transition adjustments with implementation of AASB1058		-	-	1,619,171	1,619,171	1,619,178
Total comprehensive income for the period						
Net surplus for the period 30 June 2020		-	-	16,563,397	16,563,397	3,411,563
Other comprehensive income						
Changes in the fair value of debt instruments at fair value through other comprehensive income		-	-	(1,660,730)	-	(1,660,730)
Transfer of gain on disposal of debt instruments at fair value through other comprehensive income to profit or loss	11	-	-	(72,927)	-	(72,927)
Total comprehensive income for the period		-	-	(1,733,657)	18,182,568	16,448,911
Transfer to reserves		-	3,609,825	-	(3,609,825)	-
Reclassification adjustment on disposal of property		(226,333)	-	-	226,333	-
Balance at 30 June 2020	20	**7,110,194**	**9,739,241**	**271,795**	**436,742,859**	**453,864,089**
Total comprehensive income for the period						
Net surplus for the period 30 June 2021		-	-	26,994,045	26,994,045	16,563,397
Other comprehensive income						-
Changes in the fair value of debt instruments at fair value through other comprehensive income		-	-	5,482,374	-	5,482,374
Transfer of gain on disposal of debt instruments at fair value through other comprehensive income to profit or loss	11	-	-	(2,435,374)	-	(2,435,374)
Total comprehensive income for the period		**-**	**-**	**3,047,000**	**26,994,045**	**30,041,045**
Transfer to/from reserves		-	516,277	-	(516,277)	-
Reclassification adjustment on disposal of property		(279,899)	-	-	279,899	-
Balance at 30 June 2021	20	**6,830,295**	**10,255,518**	**3,318,795**	**463,500,526**	**483,905,134**

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 2021

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Cash flows from operating activities			
Receipts from operating activities		414,482,209	360,331,905
Payments to suppliers and employees		(365,571,044)	(315,910,602)
Interest received		3,299,172	5,064,756
Dividends received		671,261	1,267,969
Finance costs		(467,344)	(277,916)
Finance costs from leasing		(1,571,180)	(1,489,029)
Net cash provided by operating activities	26(b)	**50,843,074**	**48,987,083**
Cash flows from investing activities			
Proceeds - sale of property, plant and equipment		15,889,434	12,093,544
Proceeds - sale of financial assets		48,790,727	41,066,546
Proceeds from assets held for sale		2,489,732	-
Payment for financial assets		(28,926,129)	(55,159,525)
Payment for property, plant and equipment		(35,895,165)	(56,372,309)
Payment for software		(362,902)	(618,647)
Payment for financial assets		(14,811,015)	-
Payments for acquisitions, net of cash acquired		(5,160,903)	-
Net cash used in investing activities		**(17,986,221)**	**(58,990,391)**
Cash flows from financing activities			
Repayment of borrowings		(837,032)	(4,716,696)
Lease payment (principal)		(18,446,674)	(4,207,988)
Net contributions received/(refund) of resident liabilities		42,991,134	19,023,977
Net cash provided by/(used in) financing activities		**23,707,428**	**10,099,29**
Net increase/ (decrease) in cash		56,564,281	95,985
Cash and cash equivalents at the beginning of the financial year		41,191,034	41,095,049
Cash and cash equivalents at the end of the financial year	26(a)	**97,755,315**	**41,191,034**

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 2021

ABOUT THIS REPORT

Corporate Information

The St Vincent de Paul Society Queensland, (the Society) is a non-government charitable organisation. 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 9 October 2021 by the State Council.

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 – Reduced Disclosure Requirements, 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 company adopted the amendments to AASB 3 Business Combinations which clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments were considered and applied for the business combinations entered into by the company during the financial year. Refer to note 25 for the details of business combinations.

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. In all cases the group intends to apply new standards from their application date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historic 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 Liabilities
- Note 30 Business Combination/acquisitions

Business Combinations/acquisitions

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.

Bed Licenses

The current Government stated in the Federal Budget for 2021-22 its intention to abolish bed licence restrictions and the Aged Care Approval Rounds ("ACAR") from 1 July 2024. On 29 September 2021 the Department of Health released a discussion paper Improving Choice in Residential Aged Care – ACAR Discontinuation. Although the proposed changes are not yet legislated, release of the discussion paper does provide greater certainty regarding the likely changes and transition arrangements. As a result of this, bed licences which were previously considered to have an indefinite useful life, as from the time of the Federal Budget in May 2021 are now considered to have a finite life that is not expected to extend beyond 1 July 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.

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

Inventory

Purchased inventories are valued at the lower of cost and current replacement cost. Any second hand household donations 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 2021, 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

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.

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

Working capital

At balance date the statement of financial position discloses prima facie a deficiency in working capital, being excess of current liabilities over current assets of $258,642,002 (2020: $185,298,971).

The working capital deficiency partially arises because of the application of Australian Accounting Standards. Under these standards, Ozcare is required to classify Resident Liabilities totalling $261,075,160 (2020: $140,372,225) (note 19) as a current liability, whereas the assets to which they relate, Property, Plant & Equipment and Investment Properties are required to be classified as non-current assets.

Included in Resident Liabilities are Ingoing Contributions totalling $61,533,475 (2020: $6,062,632), 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.

The major portion of Resident Liabilities is accommodation bonds (AB) and refundable accommodation deposits (RAD) of $199,541,685 (2020: $134,309,593), refer note 19. The timing of the obligation of ABs and RADs will not practically all fall due within the next twelve months. ABs and RADs become payable upon the departure of aged care residents. It is unlikely that all residents will depart in the next twelve months thereby requiring a pay out of the full amount of the liability.

Furthermore, the group has $129,067,799 (2020: $131,461,743) worth of other financial assets see note 11, recognized as a non-current asset, 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 they fall due and payable and preparation of the financial statements on a going concern basis is appropriate.

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: INCOME

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Income			
Shop revenue	(h), (j)	37,723,303	29,656,910
Donations			
- General		7,007,928	4,539,744
- Disaster appeal	(a)	270,301	2,599,841
- Special appeal		286,655	291,049
	(i)	7,564,884	7,430,634
Bequests	(i)	4,067,115	4,253,128
Government funding			
- General	(b), (i)	10,838,439	4,936,675
- Contract	(c), (h)	205,967,555	176,433,551
- Capital funding	(d), (h)	1,295,675	1,195,766
- Disaster funding	(a), (i)	1,384,193	1,067,282
- National Insurance scheme	(h)	17,875,740	17,607,241
- COVID-19 payments	(e), (i)	5,058,170	4,675,864
		242,419,772	205,916,379
Interest received			
- Cash and cash equivalents		486,619	259,032
- Other financial assets		2,849,093	4,805,722
		3,335,712	5,064,754
Dividends received	10(b)	472,410	1,012,285
Contributions for service	(f), (h)	99,138,696	84,370,568
Daily accommodation payments	(h)	7,289,774	6,162,691
RAD rental Income	(h)	227,506	806,493
Other revenue	(h)	8,489,271	3,480,875
Placement fee	(h)	1,795	268,616
Revenue		410,730,238	348,423,334
Other Income			
- Gain/ (Loss) on sale of property, plant and equipment		783,615	775,210
- Gain/(Loss) on financial asset at fair value through profit & loss	10(b)	3,655,751	(1,684,664)
- Gain on ROU asset from rent relaxation	(g)	146,399	514,971
- Provision for legal matters no longer required (Note 17)	17 (a)	1,541,828	-
		416,857,831	348,028,850

NOTE 2: INCOME (CONTINUED)

Revenue

(a) Included in the Disaster appeal are the funds received for 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 are 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, Cash Flow Boost and aged care support.

(f) RAD Rental Income (refer to Accounting policy below)

(g) Due to the economic conditions of COVID-19, rent concessions were granted on certain of our Right-of-use assets. As the group met the conditions of AASB 16 practical expedients were applied.

(h) Total of all contract revenue listed above is in accordance with AASB15 Revenue from contracts with customers $378,009,316 (2020: $319,982,711).

(i) Total of all income listed above is recognised in accordance with AASB 1058 Income of not-for-profit entities $28,912,800 (2020: $22,363,583).

(j) 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:

	CONSOL 2021 $	CONSOL 2020 $
Shop revenue	37,723,303	29,656,910
Less: Cost of goods sold	(1,842,219)	(1,206,873)
Gross profit	35,881,084	28,450,037

Economic dependency on government grants

St Vincent de Paul Society Queensland is dependent on the ongoing receipt of financial assistance from the Commonwealth government to continue delivering its charitable programs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: INCOME (CONTINUED)

Government funding makes up 58% (2020: 59%) of the total revenue. The sources of these funds are as follows:

Specific disclosure of sources of government revenue

	CONSOL 2021 $	CONSOL 2020 $
Government revenue (including grants)		
Commonwealth government		
Department of Health	173,130,601	143,080,518
Department of Social Services	3,448,497	2,999,809
National Disability Insurance Scheme	17,875,740	17,607,241
Department of Home Affairs	327,191	291,685
Australian Taxation Office	5,095,670	3,608,413
Various other departments	398,017	571,977
Total	200,275,718	168,159,643
State government		
Department of Communities, Housing & Digital Economy	18,543,776	16,253,760
Department of Children, Youth Justice and Multicultural Affairs	9,099,526	7,826,580
Queensland Health	7,780,164	9,527,932
Queensland Corrective Services	1,265,237	993,619
Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	3,868,201	2,619,947
Various other departments	1,545,475	504,140
Total	42,102,379	37,725,978
Various local governments	41,677	30,758
TOTAL	242,419,774	205,916,379

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

Expiring contracts:

A contract with the Commonwealth Department of Health to the value of $705,300 over 2 years expired on 30 June 2021.

Contracts currently under negotiation:

Negotiations for a government contract renewal have commenced with the Department of Child Safety, Youth and Women and the Society has no reason to believe that the department will discontinue its support of the Society.

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: INCOME (CONTINUED)

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 pro-bono 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 5,494 (2020: 5,520)

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 entity. Exit fee revenue earned 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.

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.

NOTE 2: INCOME (CONTINUED)

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. Cash flow 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.

RAD rental income

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. Ozcare 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 income 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.

NOTE 3: OPERATING EXPENSES

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Specific required disclosures are:			
Employee benefits		228,078,651	198,687,369
Defined contribution superannuation expense		20,136,703	17,377,101
Depreciation of property, plant and equipment	9(a)	25,623,217	22,920,715
Impairment of property, plant and equipment	9(a)	3,714,733	-
Amortisation of make good provisions	9(a)	104,677	49,651
Amortisation of Intangibles	12(a)	2,022,142	293,325
Depreciation of investment properties	13	3,995,129	430,220
Amortisation of right-of-use assets	9(b)	8,459,100	8,064,875
Write off of fixed assets		-	285,039
Rental expense on operating leases			
- Minimum lease payments		426,399	204,597
Finance costs			
- Lease interest expense		1,571,181	1,489,029
- Accommodation bond / RAD interest expense	(a)	227,506	806,493
- Other finance costs		533,545	329,749

(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

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

	CONSOL 2021 $	CONSOL 2020 $
Amount paid to BDO for:		
Audit of financial report and grant financial returns	316,019	253,766
Indirect taxation services	61,343	209,598
Other assurance services	36,696	23,045
	414,059	486,409

Other advisory services above include cyber risk, I.T. disaster recovery, information security and I.C.T. continuity planning.

NOTE 5: CASH AND CASH EQUIVALENTS

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Cash on hand		119,883	108,284
Cash at bank		94,399,672	38,537,165
Term deposits		1,819,985	2,374,551
Cash at bank - Capital Replacement Fund	(a)	1,415,775	171,034
	26(a)	97,755,315	41,191,034

(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

	CONSOL 2021 $	CONSOL 2020 $
Trade and other receivables	12,742,213	8,979,360
	12,742,213	8,979,360

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

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.

NOTE 7: OTHER ASSETS

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Current			
Prepayments		3,591,712	2,893,797
Accrued Income		510,819	452,078
		4,102,531	3,345,875
Non-Current			
Other assets	(a)	100,000	100,000
		100,000	100,000

(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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 8: ASSETS HELD FOR SALE

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Assets held for sale	(a)	–	2,279,546
		–	2,279,546

(a) Assets held for sale is land surplus to needs and includes property at Acacia Ridge and Augustine Heights. Both assets were sold in the current financial year.

Accounting Policy

Assets held for sale are those property assets that are expected to be sold within the next 12 months.

NOTE 9(a): PROPERTY, PLANT & EQUIPMENT

	CONSOL 2021 $	CONSOL 2020 $
Land and buildings		
At cost	528,285,361	459,908,128
Less accumulated depreciation	(80,198,214)	(63,782,592)
	448,087,147	396,125,536
Leasehold improvements		
At cost	12,399,865	12,308,465
Less accumulated depreciation	(8,239,447)	(3,652,849)
	4,160,418	8,655,616
Total land and buildings	452,247,565	404,781,152
Plant and equipment		
At cost	60,301,956	54,504,352
Less accumulated depreciation	(36,447,632)	(30,184,605)
Total plant and equipment	23,854,324	24,319,747
Work in progress	21,676,644	34,778,168
Make good leased premises		
At cost	850,072	823,072
Less accumulated depreciation	(633,808)	(529,131)
Total make good leased premises	216,264	293,941
Total property, plant and equipment	497,994,797	464,173,008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9(a): PROPERTY, PLANT & 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:

	CONSOL 2021 $	CONSOL 2020 $
Land and buildings		
Carrying amount at the beginning of the financial year	396,125,536	387,016,608
Additions	998,671	8,631,722
Additions through business acquisitions	47,610,408	-
Disposals	(240,881)	(39,391)
Transfers	20,240,742	18,202,935
Transfers to Assets held for sale	-	(2,279,546)
Less depreciation	(16,647,329)	(15,406,792)
Carrying amount at the end of the financial year	448,087,147	396,125,536
Leasehold improvements		
Carrying amount at the beginning of the financial year	8,655,616	4,946,833
Additions	15,350	63,678
Disposals	(20,200)	(17,391)
Transfers	116,914	4,727,176
Less Impairment	(3,714,773)	-
Less depreciation	(892,490)	(1,064,680)
Carrying amount at the end of the financial year	4,160,417	8,655,616
Total land and buildings		
Carrying amount at the beginning of the financial year	404,781,152	391,963,441
Additions	1,014,021	8,695,402
Additions through business acquisitions	47,610,408	-
Disposals	(261,083)	(56,784)
Transfers	20,357,656	22,930,111
Transfers to assets held for sale	-	(2,279,546)
Less Impairment	(3,714,773)	-
Less depreciation	(17,539,818)	(16,471,472)
Carrying amount at the end of the financial year	452,247,565	404,781,152

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9(a): PROPERTY, PLANT & EQUIPMENT (CONTINUED)

Reconciliations (continued)

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Plant and equipment			
Carrying amount at the beginning of the financial year		24,319,747	31,972,968
Additions		9,154,899	12,388,497
Additions through business acquisitions		1,931,580	-
Disposals		(3,946,414)	(9,859,667)
Transfers		477,912	(3,732,808)
Less depreciation		(8,083,399)	(6,449,243)
Carrying amount at the end of the financial year		23,854,324	24,319,747
Work in progress			
Carrying amount at the beginning of the financial year		34,778,168	21,338,638
Additions		17,558,661	37,062,275
Disposals		(122,464)	-
Transfers		(30,330,327)	(23,622,745)
Transfer to intangibles		(207,394)	-
Carrying amount at the end of the financial year		21,676,644	34,778,168
Make good leased premises			
Carrying amount at the beginning of the financial year		293,941	450,920
Additions		106,500	76,932
Disposals		(79,500)	(184,261)
Less depreciation		(104,677)	(49,650)
Carrying amount at the end of the financial year		216,264	293,941
Total property, plant & equipment			
Carrying amount at the beginning of the financial year		464,173,008	445,725,966
Additions (excluding make good leased premises)		27,727,581	58,146,174
Additions through business acquisitions	30	49,541,988	-
Movement in make good leased premises (non-cash)		(77,677)	(156,980)
Disposals		(4,329,962)	(9,916,449)
Transfers to right-of-use assets	9(b)	-	(4,425,442)
Transfer to investment property		(9,494,758)	-
Transfers to assets held for sale	8	-	(2,279,546)
Transfer to intangibles	12	(207,394)	-
Less impairment		(3,714,773)	-
Less depreciation	3	(25,623,217)	(22,920,715)
Carrying amount at the end of the financial year		497,994,797	464,173,008

NOTE 9(b): RIGHT-OF-USE ASSETS

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Right-of-use assets			
At cost		52,147,011	44,537,755
Less accumulated amortization		(14,821,938)	(7,504,330)
Total right-of-use asset		37,325,073	37,033,425
Reconciliation			
Carrying amount at the beginning of the financial year		37,033,425	-
Transition opening balance as at 1 July 2019		-	26,761,539
Additions		19,658,392	16,708,283
Disposals		(10,907,644)	(2,796,964)
Transfers		-	4,425,442
Less amortisation	3	(8,459,100)	(8,064,875)
Carrying amount at the end of the financial year		37,325,073	37,033,425

Accounting Policy (Note 9)

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 reclassed 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.

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.

As a consequence of the COVID spacing requirements, the Queensland Department of Community, Housing, Digital Economy and Arts deemed during the year that the Peel Street hostel is no longer fit for purpose. The residents previously housed at the Peel Street hostel were moved and are currently housed in Spring Hill. The Society no longer derives any income from the Peel Street facility and so determined it appropriate to fully impair the carrying value of this asset $3,714,733 (notes 3 and 9a). Negotiations have commenced to re-establish a similar facility in South Brisbane.

Goods and Services Tax

Assets are recognised net of the amount of GST.

NOTE 10: INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting Policy

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

(a) Investments at fair value through profit or loss

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Listed investments - primary markets			
- Australian equities	10 (c)	7,660,768	9,820,734
- International equities	10 (c)	8,954,567	475,635
- Preference shares	10 (c)	1,003,790	1,035,972
Unlisted investments			
- Unlisted international managed funds	10 (c)	3,448,586	3,912,157
- Unlisted domestic managed funds	10 (c)	1,285,115	801,710
		22,352,826	16,046,208

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

Recognised in surplus for the year:			
- Dividends received	2	472,410	1,012,285
- Gain/(Loss) on fair value	2	3,468,026	(1,684,664)
		3,940,436	(672,379)

NOTE 10: INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(c) Reconciliation of Financial Assets

Reconciliations of the carrying amounts of:	CONSOL 2021 $	CONSOL 2020 $
Listed investments - primary markets		
- Australian equities		
Carrying amount at the beginning of the financial year	9,820,734	10,790,770
Additions	1,813,227	5,685,952
Disposals	(5,773,393)	(5,282,228)
Net revaluation increase/(decrease)	1,800,200	(1,373,760)
Carrying amount at the end of the financial year	7,660,768	9,820,734
- International equities		
Carrying amount at the beginning of the financial year	475,635	439,924
Additions	8,063,257	-
Disposals	(347,827)	-
Net revaluation increase/(decrease)	763,502	35,711
Carrying amount at the end of the financial year	8,954,567	475,635
- Preference shares		
Carrying amount at the beginning of the financial year	1,035,972	867,953
Additions	278,835	834,448
Disposals	(354,181)	(634,448)
Net revaluation increase/(decrease)	43,164	(31,981)
Carrying amount at the end of the financial year	1,003,790	1,035,972
Unlisted investments		
- Unlisted international managed funds		
Carrying amount at the beginning of the financial year	3,912,157	4,982,573
Additions	2,301,768	1,558,604
Disposals	(3,384,348)	(2,259,576)
Net revaluation increase/(decrease)	619,009	(369,444)
Carrying amount at the end of the financial year	3,448,586	3,912,157
- Unlisted domestic managed funds		
Carrying amount at the beginning of the financial year	801,710	719,307
Additions	741,253	27,593
Disposals	(500,000)	-
Net revaluation increase/(decrease)	242,152	54,810
Carrying amount at the end of the financial year	1,285,115	801,710
Summary		
Carrying amount at the beginning of the financial year	16,046,208	17,800,527
Additions	13,198,340	8,106,598
Disposals	(10,359,748)	(8,176,253)
Net revaluation increase/(decrease)	3,468,026	(1,684,664)
Carrying amount at the end of the financial year	22,352,826	16,046,208

NOTE 11: OTHER INVESTMENTS

	CONSOL 2021 $	CONSOL 2020 $
Non-current		
Fair value through other comprehensive income:		
Interest bearing notes	129,067,799	131,461,743
	129,067,799	131,461,743

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 during 2021 was $2,435,374 (2020: $72,927).

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.

Listed investments: the fair value is based on quoted prices (unadjusted) in active markets for identical assets.
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 listed investments.

NOTE 12: INTANGIBLE ASSETS

	CONSOL 2021 $	CONSOL 2020 $
Computer software		
At cost	3,344,907	2,943,158
Less accumulated amortisation	(2,041,356)	(1,783,652)
	1,303,551	1,159,506
Aged care bed licences		
Fair value on resumption of control of Ozcare	35,851,268	35,851,268
Less accumulated amortisation	(1,564,191)	-
	34,287,077	35,851,268
Total intangible assets	35,590,628	37,010,774

Reconciliations

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

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Carrying amount at the beginning of the financial year		37,010,774	36,586,464
Additions		394,602	1,274,812
Disposals		-	(557,177)
Transfers		207,394	-
Less amortisation	3	(2,022,142)	(293,325)
Carrying amount at the end of the financial year		35,590,628	37,010,774

Accounting Policy

Aged Care Bed Licences are recorded at cost or at deemed cost at time of grant from the Australian Government Department of Health. Aged Care Bed Licences added as a result of the resumption of control of Ozcare were recorded at their fair value at the date control was resumed. Up until the May 2021 Federal Budget, provided Ozcare complied with Department of Health requirements, Aged Care Bed Licences had an indefinite life and accordingly were not amortised. 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, from the date of the Federal Budget, bed licences are now considered to have a finite life that is not expected to extend beyond 1 July 2024.

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.

Impairment

Indefinite-life intangible assets are tested for impairment annually or more frequently if events or circumstances indicate that they might be impaired and are carried at cost less accumulated impairment losses.

The group assesses impairment of non-financial assets other than indefinite-life 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: INVESTMENT PROPERTY

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Land & buildings		93,493,688	9,361,785
Accumulated depreciation		(5,885,061)	(1,889,932)
		87,608,627	7,471,85
Movement			
Carrying amount at the beginning of the financial year		7,471,853	7,773,254
Additions		11,924,552	128,819
Additions through business acquisition	30	62,712,593	-
Transfers from property, plant & equipment		9,494,758	-
Less depreciation	3	(3,995,129)	(430,220)
Carrying amount at the end of the financial year		87,608,627	7,471,853

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 20 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.

NOTE 14: TRADE AND OTHER PAYABLES

	CONSOL 2021 $	CONSOL 2020 $
Trade and other creditors	15,587,743	10,800,938
Clients funds held	26,490,326	19,953,189
Sundry creditors	7,037,675	6,244,507
	49,115,744	36,998,634

NOTE 14: TRADE AND OTHER PAYABLES (CONTINUED)

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

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.

NOTE 15: BORROWINGS

	CONSOL 2021 $	CONSOL 2020 $
Current		
Borrowings	1,022,753	249,508
	1,022,753	249,508
Non-current		
Borrowings	4,889,241	6,259,678
	4,889,241	6,259,678
The carrying amounts of non-current assets pledged as security are:		
Freehold Land and Buildings	18,500,000	18,500,000

The Society has approved facility limits with the Archdiocesan Development Fund (the ADF) of $12,911,994 (2020: $13,509,186). The drawn amount as at 30 June 2021 was $5,911,993 (2020: $6,509,186) with an amount available to draw of $7,000,000 (2020: $7,000,000).

This facility is secured by a first mortgage, held by the ADF, over certain freehold properties owned by the Society. A covenant has been imposed requiring all operating funds of the parent entity 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 parent.

Accounting Policy

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.

NOTE 16: LEASE LIABILITY

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Current			
Lease liability		16,606,663	17,333,607
		16,606,663	17,333,607
Non-current			
Lease liability		21,781,646	19,996,736
	(a)	21,781,646	19,996,736

Accounting Policy

The group, as lessee recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The group is required to recognise 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.

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.

NOTE 17: PROVISIONS

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Current			
Provision for legal matters	(a)	-	1,541,828
Employee entitlements - annual leave		20,742,463	17,054,545
Employee entitlements - long service leave		11,958,620	9,584,702
		32,701,083	28,181,075
Non-current			
Employee entitlements - long service leave		5,031,454	5,138,174
Make good leased premises		850,072	823,072
		5,881,526	5,961,246

(a) Key Judgements

Following a number of unsuccessful litigation outcomes in the US, Lehman Brothers Holdings Inc (Lehman) have publicly confirmed they are no longer actively pursuing their claim for the refund of Collateralised Debt Obligations (CDOs) paid out to investors when Lehman's filed for bankruptcy in September 2008. At the time, the Society's investment of $1,000,000 was refunded in full and Lehmans subsequently took legal action to recover the investment amount. Therefore, as per Australian Accounting Standards, the Society provided for repayment of the investment and accrued interest. Due to the litigation risk now being removed, the Society will no longer need to record the provision as the liability or obligation no longer exists, and as a consequence the provision of $1,541,828 has been reversed this year (note 2).

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 legal claims, 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.

NOTE 18: GRANTS IN ADVANCE

	CONSOL 2021 $	CONSOL 2020 $
Current		
Government grants in advance - operational	7,195,897	17,202,114
Government grants in advance - capital	843,063	793,441
	8,038,960	17,995,555
Non-current		
Government grants in advance - capital	23,320,648	21,916,292
	23,320,648	21,916,292

Accounting Policy

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

NOTE 19: RESIDENT LIABILITIES

	CONSOL 2021 $	CONSOL 2020 $
Current		
Accommodation bond and refundable accommodation deposits	199,541,685	134,309,593
Ingoing contributions	61,533,475	6,062,632
	261,075,160	140,372,225

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 19: RESIDENT LIABILITIES (CONTINUED)

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 2021 $	CONSOL 2020 $
Current			
Deferred consideration - Canossa acquisition		5,000,000	-
	30	5,000,000	-
Non-current			
Deferred consideration - Canossa acquisition		11,619,552	-
	30	11,619,552	-

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 2021	$5,000,000
1 December 2022	$5,000,000
1 December 2023	$4,000,000
1 December 2024	$3,200,000
	$17,200,000

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 it's borrowing rate of 1.5% to calculate the net present value.

NOTE 21: EQUITY

	CONSOL 2021 $	CONSOL 2020 $
Financial asset revaluation reserve	3,318,795	271,795
Mission related reserve	10,255,518	9,739,241
Property revaluation reserve	6,830,295	7,110,194
Accumulated funds	463,500,526	436,742,859
Total equity	483,905,134	453,864,089

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 fit outs 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 $97,899 (2020: $226,333).

NOTE 22: INTEREST IN SUBSIDIARIES

Subsidiary entities

As of 30 June 2021, 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 2021

NOTE 23: PARENT NOTE

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

	SVDP 2021 $	SVDP 2020 $
Total comprehensive income for the year	17,670,206	15,046,910
Total current assets	43,749,257	25,434,527
Total non-current assets	135,799,326	152,797,983
Total assets	**179,548,583**	**178,232,510**
Total current liabilities	23,674,770	20,779,714
Total non-current liabilities	31,568,259	47,017,365
Total liabilities	**55,243,029**	**67,797,079**
Net assets/(liabilities)	**124,305,554**	**110,435,431**
Total equity	**124,305,554**	**110,435,431**

NOTE 24: CONTINGENT ASSETS & CONTINGENT LIABILITIES

At 30 June 2021, the group had a contingent liability in relation to possible future claims made by former clients under the National Redress Scheme which the Society joined as a respondent in September 2020. Due to lack of knowledge about the likely number and value of possible claims, it is considered that any contingent liability for potential claims cannot be reliably estimated as at 30 June 2021.

Currently there are no material pre-existing or known claims against the Society or its controlled entities.

NOTE 25: COMMITMENTS

Capital commitments

	CONSOL 2021 $	CONSOL 2020 $
Capital expenditure commitments		
Contracted for:		
Not later than one year	91,475,496	8,288,785
Later than one year but not later than 5 years	29,404,104	-
Total capital expenditure commitments	120,879,600	8,288,785

Commitments include the extensions to current Hervey Bay village and the Newstead development that will replace the current Palm Lodge aged care facility and include a new retirement village.

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.

NOTE 26: NOTES TO THE STATEMENT OF CASH FLOWS

(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:

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Balance per Statement of Cash Flows	5	97,755,315	41,191,034

(b) Reconciliation of cash flow from operations with the net surplus

	NOTE	CONSOL 2021 $	CONSOL 2020 $
Net Surplus		**26,994,045**	**16,563,397**
Non-cash flows in operating surplus			
Depreciation/Amortisation	3	40,204,264	31,758,785
Net (gain) on sale of fixed assets	2, 3	(783,575)	(490,171)
Rent concession and modifications on Lease Liabilities		(238,689)	(514,971)
Bequest received in shares		-	(1,020,660)
Net fair value loss/(gain) on financial assets	2	(3,468,026)	1,684,664
Net loss/ (gain) on sale of financial assets at fair value through other comprehensive income		(2,435,374)	(72,927)
Impairment of property, plant and equipment		3,714,733	-
Accommodation bond retentions and exit fees		(4,766,099)	-
Other non-cash items		(3,328)	(376,933)
Changes in assets and liabilities			
(Increase)/ decrease in trade and other receivables		(2,477,138)	(2,243,581)
(Increase)/ decrease in other assets		(686,483)	(330,583)
(Increase)/ decrease in inventories		(282,481)	9,303
Increase/ (decrease) in trade and other payables		(5,729,952)	1,593,614
Increase/ (decrease) in provisions		801,177	2,427,147
Cash flows from operations		50,843,074	48,987,083

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 2021 $	CONSOL 2020 $
Cash and cash equivalents	5	97,755,315	41,191,034
Trade and other receivables	6	12,742,213	8,979,360
Investments at fair value through profit or loss	10	22,352,827	16,046,208
Financial assets at fair value through other comprehensive (i)	11	129,067,799	131,461,743
		261,918,154	197,678,345

NOTE 27: FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 $250,366.82 (2020: $283,658). 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.

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 $226,823,114 as at 30 June 2021 (2020: $172,652,777). Total financial liabilities that are charged interest at a floating rate are $5,911,994 as at 30 June 2021 (2020: $6,509,186).

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

On 29 September 2021 the Department of Health released a discussion paper Improving Choice in Residential Aged Care – ACAR Discontinuation. This paper provides greater certainty regarding the likely changes and transition arrangements associated with the announcement made in the May 2021 Federal Budget that it is the Government's intention to abolish bed licence restrictions and Aged Care Approval Rounds ("ACAR") from 1 July 2024. The release of the discussion paper is considered an adjusting subsequent event as it provides greater certainty regarding a condition that existed at reporting date. As a result of this, from the date of the Federal Budget, bed licences are now considered to have a finite life that is not expected to extend beyond 1 July 2024. 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 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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	
Dennis Innes *(President)*	John Thomas *(Chair)*	Gregory Coghlan *(Chair)*
Alister Crocker	David Masters *(commenced January 2021)*	Annette Baker
Amanda Rickman	Declan Rooney	Gary Searle
Annette Baker	Glynis Schulz	John Forrest *(ceased November 2020)*
Brian Headford *(commenced March 2021)*	John Forrest *(commenced January 2021)*	Michael Forde *(ceased November 2020)*
Dan Carroll	June Chandler *(ceased December 2020)*	Nicholas O'Conner
Garry Webb	Matthew Vanderbyl *(ceased December 2020)*	Sonya Ryan
John Harrison	Michael Gilmour	Terrence Boyd *(ceased November 2020)*
John Hollamby *(commenced July 2020)*	Peter Driver	
John Thomas	Professor Susan Dann	
Lachlan Dent		
Margaret Lawton		
Matt Nunan		
Matthew Vanderbyl *(ceased February 2021)*		
Patricia McMahon		
Peter Madden *(ceased July 2020)*		
Philip Cranny		
Robert Doyle *(ceased May 2021)*		
Veronica Innes *(commenced May 2021)*		

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.

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

Other key management personnel as at 30 June 2021 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 - Risk & Compliance*	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 2021 $	CONSOL 2020 $
Remuneration including reportable fringe benefits on motor vehicles:	4,486,123	4,035,039

The bands of remuneration (including reportable fringe benefits) are as follows:

RANGE	CONSOL 2021	CONSOL 2020
$0-40k	32	34
$80-160k	1	-
$160k and above	15	18

Transactions with Ozcare during the financial year include $570,203 of fund reimbursement for transitioned program's costs paid by Ozcare on the Society's behalf. (2020: $669,539)

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 $108,186 (2020: $92,328) 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.

NOTE 29: RELATED PARTY TRANSACTIONS (CONTINUED)

On 1 July 2020 the Society transferred all headlease and state government funded properties to Vinnies Housing.

Current assets	5,071
Property, plant & equipment	19,704,968
Provision for sinking fund	(1,315,226)
Acquittal liability	(2,672,581)
Grants in advance	(16,959,327)
Amount Payable to Vinnies Housing from the Society	$1,237,095

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 $961,341 (2020: $1,320,285) 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, N.S.W. State Council and Canberra-Goulburn Territory Council. It also includes receipts from St Vincent de Paul Society Northern Territory for support services provided.

NOTE 30: BUSINESS ACQUISITIONS/COMBINATIONS

On 1st July 2020 Ozcare acquired the De Paul Villa Aged Care and De Paul Manor Retirement Village ('De Paul Acquisition') from the Southport Catholic Parish for a purchase price of $17,630,467 (after adjustments).

On 1st December 2020 Ozcare acquired two aged care facilities, retirement village and private hospital from the Canossian Sisters ('Canossa Acquisition') for a purchase price of $17,459,755 (after adjustments).

Details of the acquisition are as follows:

	NOTE	DE PAUL ACQUISITION	CANOSSA ACQUISITION	TOTAL
Cash and cash equivalents – capital replacement		1,012,714	46,766	1,059,480
Cash and cash equivalents		-	12,250,287	12,250,287
Prepayments		8,533	-	8,533
Land at cost	9(a)	2,500,000	10,175,000	12,675,000
Buildings at cost	9(a)	17,182,834	17,752,574	34,935,408
Investment property - land	13	5,500,000	5,000,000	10,500,000
Investment property - buildings	13	27,628,900	24,583,693	52,212,593
Plant and equipment	9(a)	1,931,580	-	1,931,580
Ingoing contributions - retirement village		(26,879,709)	(22,963,693)	(49,843,402)
Refundable accommodation deposits (RAD's)		(10,482,185)	(22,152,324)	(32,634,509)
Capital grants in advance		-	(4,097,796)	(4,097,796)
Employee provision		(744,197)	(3,134,752)	(3,878,949)
Other payables		(28,003)	-	(28,003)
Net assets acquired		17,630,467	17,459,755	35,090,222
Acquisition-date fair value of the total consideration transferred		17,630,467	17,459,755	35,090,222
Representing:				
- Cash paid		17,630,467	5,000,000	22,630,467
- Cash received by vendor (adjustments)		-	(4,159,797)	(4,159,797)
- Amount payable to vendor	20	-	16,619,552	16,619,552
		17,630,467	17,459,755	35,090,222
Acquisition costs expensed to profit or loss		27,511	118,461	145,971

The Group recorded no goodwill or bargain purchase on these acquisitions.

NOTE 30: BUSINESS ACQUISITIONS/COMBINATIONS (CONTINUED)

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.

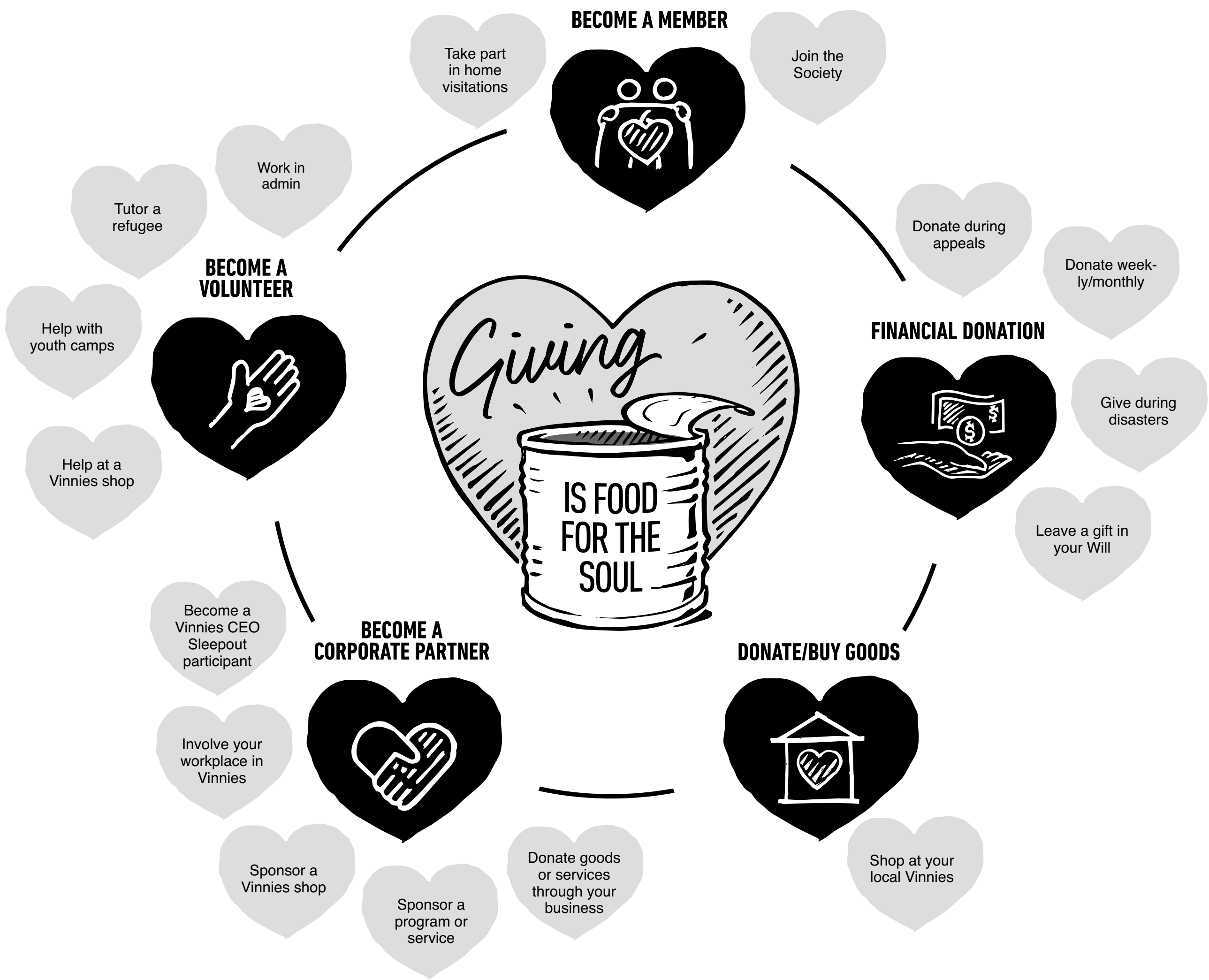
On the acquisition of a business, the Society assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the company's operating or accounting policies and other pertinent conditions in existence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

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.

HOW YOU CAN *Help*



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