St Vincent de Paul Society
QUEENSLAND
good works

Vinnies Annual Financial Report

2018 –19

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 2019 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 | Dan Carroll

Dennis Innes
State President

Dan Carroll
State Treasurer

12th October 2019

Cover photo: Newspix

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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 2019, 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 the 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 2019 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* (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 the State Council for the Financial Report

The 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 the responsible entities determine 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, the 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 responsible entities either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The State Council is responsible for overseeing the Society's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

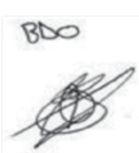
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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



Anthony Whyte

Director

Brisbane, 12 October 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	CONSOL 2019 $			CONSOL 2018 $		
	REVENUE	OPERATING EXPENSES	NET SURPLUS / (DEFICIT)	REVENUE	OPERATING EXPENSES	NET SURPLUS / (DEFICIT)
Community Services						
Child & Family Support	5,509,704	5,544,384	(34,680)	5,216,486	5,513,228	(296,742)
Homelessness	25,797,424	23,197,984	2,599,440	25,319,175	22,604,712	2,714,463
Help for People in Crisis	2,446,498	8,231,632	(5,785,134)	2,541,113	8,237,588	(5,696,475)
Natural Disaster Relief	5,286,547	5,233,029	53,518	10,520	267,231	(256,711)
Migrants, Refugees & Overseas	649,523	951,081	(301,558)	488,734	822,462	(333,728)
Youth	106,546	1,520,458	(1,413,912)	75,995	1,411,619	(1,335,624)
Community Housing	3,775,125	3,168,912	606,213	3,549,910	3,125,506	424,404
Aged Care	119,293,313	120,288,724	(995,411)	105,342,921	107,055,116	(1,712,195)
Community Care & Health	120,397,183	89,887,044	30,510,139	108,446,357	81,412,032	27,034,325
	283,261,863	**258,023,249**	**25,238,615**	**250,991,211**	**230,449,494**	**20,541,717**
Supporting Services						
Fundraising	5,501,286	902,397	4,598,889	7,749,471	974,228	6,775,243
Administration	132,548	884,144	(751,596)	32,878	664,525	(631,647)
Operations	5,826,438	13,498,812	(7,672,374)	5,529,064	12,636,800	(7,107,736)
Retail	33,513,926	18,943,254	14,570,672	33,199,612	18,082,926	15,116,686
Warehouse	1,277,683	5,457,391	(4,179,708)	1,255,618	5,173,127	(3,917,509)
Membership Spiritual Development	-	843,017	(843,017)	-	984,463	(984,463)
	46,251,881	**40,529,015**	**5,722,866**	**47,766,643**	**38,516,069**	**9,250,574**
Shared Services						
Finance	5,769,062	7,449,028	(1,679,966)	5,547,563	7,934,407	(2,386,844)
Human Resources	915	1,816,194	(1,815,279)	-	1,593,348	(1,593,348)
Information Technology	-	8,162,570	(8,162,570)	-	7,639,967	(7,639,967)
Legal & Compliance	35,050	1,589,307	(1,554,257)	696	1,541,664	(1,540,968)
	5,805,027	**19,017,099**	**(13,212,072)**	**5,548,259**	**18,709,386**	**(13,161,127)**
	335,318,771	**317,569,363**	**17,749,409**	**304,306,113**	**287,674,949**	**16,631,164**
Total Surplus			**17,749,409**			**16,631,164**

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

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	CONSOL 2019 $ NET SURPLUS / (DEFICIT)	CONSOL 2018 $ NET SURPLUS / (DEFICIT)
Total Surplus brought forward	2,3	17,749,409	16,631,164
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Change in the fair value of financial assets		3,411,563	(767,481)
Items that will be reclassified to profit or loss:			
Transfer of loss on disposal of financial assets		(848,040)	(546,155)
Other comprehensive income for the year		2,563,523	(1,313,636)
Total comprehensive income for the year		**20,312,932**	**15,317,528**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Current assets			
Cash and cash equivalents	5	41,095,049	27,732,086
Trade and other receivables	6	5,486,587	5,014,388
Inventories		45,123	68,842
Other assets	7	3,256,543	3,821,423
Other investments	11	-	5,000,000
Assets held for sale	8	1,543,123	187,000
Total current assets		**51,426,425**	**41,823,739**
Non-current assets			
Other assets	7	100,000	100,000
Property, plant and equipment	9	445,725,967	418,999,616
Investments at fair value through profit or loss	10	17,800,527	23,533,047
Other investments	11	117,946,394	107,047,663
Intangible assets	12	36,586,465	36,736,406
Investment property	13	7,773,254	8,121,433
Total non-current assets		**625,932,607**	**594,538,165**
Total assets		**677,359,032**	**636,361,904**
Current liabilities			
Trade and other payables	14	35,405,020	34,938,694
Provisions	16	25,805,228	24,558,260
Borrowings	15	995,173	1,156,954
Grants in advance	17	21,000,679	20,974,146
Residential liabilities	18	121,725,180	102,448,012
Total current liabilities		**204,931,280**	**184,076,066**
Non-current liabilities			
Borrowings	15	6,244,444	7,123,153
Provisions	16	6,187,866	6,259,671
Grants in advance	17	22,580,264	21,800,768
Total non-current liabilities		**35,012,574**	**35,183,592**
Total liabilities		**239,943,854**	**219,259,658**
Net assets/(liabilities)		**437,415,178**	**417,102,246**
Equity			
Reserves	19	15,471,395	6,859,286
Accumulated funds	19	421,943,784	410,242,960
Total equity		**437,415,178**	**417,102,246**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	RESERVES $	$	$	ACCUMULATED FUNDS $	TOTAL $
		PROPERTY REVALUATION RESERVE	MISSION RELATED RESERVE	FINANCIAL ASSET RESERVE		
Balance at 30 June 2017	19	**7,641,357**	**-**	**755,565**	**393,387,796**	**401,784,718**
Total comprehensive income for the period						
Net surplus for the period 30 June 2018		-	-	-	16,631,164	16,631,164
Changes in the fair value of debt instruments at fair value through other comprehensive income		-	-	(767,481)	-	(767,481)
Transfer of loss/(gain) on disposal of debt instruments at fair value through other comprehensive income to profit or loss		-	-	(546,155)	-	(546,155)
Total comprehensive income for the period		-	-	(1,313,636)	16,631,164	15,317,528
Reclassification adjustment on disposal of property		(224,000)	-	-	224,000	-
Balance at 30 June 2018	19	**7,417,357**	**-**	**(558,071)**	**410,242,960**	**417,102,246**
Total comprehensive income for the period						
Net surplus for the period 30 June 2019		-	-	-	17,749,409	17,749,409
Changes in the fair value of debt instruments at fair value through other comprehensive income		-	-	3,411,563	-	3,411,563
Transfer of loss/(gain) on disposal of debt instruments at fair value through other comprehensive income to profit or loss		-	-	(848,040)	-	(848,040)
Total comprehensive income for the period		**-**	**-**	**2,563,523**	**17,749,409**	**20,312,932**
Transfer to Reserves		-	6,129,416	-	(6,129,416)	-
Reclassification adjustment on disposal of property		(80,830)	-	-	80,830	-
Balance at 30 June 2019	19	**7,336,527**	**6,129,416**	**2,005,452**	**421,943,783**	**437,415,178**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Cash flows from Operating activities			
Receipts from operating activities		339,890,547	313,044,344
Payments to suppliers and employees		(309,015,373)	(270,739,580)
Interest received		3,935,947	5,545,276
Dividends received		3,546,765	752,232
Finance costs		(352,004)	(437,650)
Net cash provided by operating activities	24(b)	**38,005,822**	**48,164,622**
Cash flows from Investing Activities			
Proceeds from sale of property, plant and equipment		6,996,556	6,851,043
Proceeds from sale of financial assets		6,557,154	4,628,942
Payment for property, plant and equipment		(53,279,695)	(70,795,957)
Payment for financial assets		(3,045,314)	(9,955,553)
Net cash used in investing activities		**(42,771,299)**	**(69,271,525)**
Cash flows from Financing Activities			
Repayment of borrowings		(1,293,415)	(1,534,471)
Proceeds from borrowings		-	1,000,000
Net contributions received/(refund) of resident liabilities		19,421,795	22,388,727
Net cash provided by/(used in) financing activities		**18,128,380**	**21,854,256**
Net increase/(decrease) in cash		13,362,963	747,353
Cash and cash equivalents at the beginning of the financial year		27,732,086	26,984,733
Cash and cash equivalents at the end of the financial year	24(a)	**41,095,049**	**27,732,086**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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 Society is a deductible gift recipient (DGR).

The financial statements, which are presented in Australian dollars, were authorised for issue on 12 October 2019 by the State Council.

The Society 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 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

New and amended standards and interpretations that are mandatory for the first time for the financial year beginning 1 July 2018 have been adopted. The adoption of these standards and interpretations did not have any material impact on the current or any prior period and is not likely to materially affect future periods.

The group has not elected to apply any other Standards or pronouncements before their operative date in the annual reporting period beginning 1 July 2018.

New accounting standards not yet effective

The following new/ amended accounting standards and interpretations have been issued but are not mandatory for financial years ended 30 June 2019. They have not been adopted in preparing the financial statements for the year ended 30 June 2019 and may impact the group in the period of initial application. In all cases the group intends to apply these standards from application date as indicated below.

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments.

The group is currently undertaking a detailed assessment of the impact of AASB 16. Based on the entity's preliminary assessment, the first time adoption of the Standard for the year ending 30 June 2020 will affect primarily the accounting for the group's operating leases for commercial property. The group's car leases are not caught by this standard. As at the reporting date, the group has non-cancellable operating lease commitments of $9,889,245 see note 23(a). However, the group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows.

AASB 15 Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019)

The new revenue recognition standard, AASB 15 is a result of a joint project of the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB). The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue. The group is still determining the effect on the financial statements on implementation of the Standard.

AASB 1058 Income of Not-for-profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to Not for profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

AASB 1058 establishes principles and guidance when accounting for:

- Transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a NFP to further its objectives; and
- The receipt of volunteer services.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

Although the Councillors anticipate that the adoption of AASB 1058 may have an impact on the group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact, both on Income and Expenditure, though little impact is anticipated on net surplus. We have identified the impact to past revenue received in prior years of $26,351,423 see note 17, currently sitting in Current and Noncurrent Liabilities Capital Grants in Advance, may well need to be moved to accumulated funds when adopting this standard.

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 judgments and estimates

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

Note 8	Assets Held for Sale
Note 9	Property Plant & Equipment
Note 10(a)	Investments at Fair Value
Note 16	Provisions

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 second hand household donations received by the Society 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 2019, 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.

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.

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation (continued)

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 will be 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.

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 $153,504,855 (2018: $142,252,327).

The working capital deficiency partially arises because under Australian Accounting Standards Ozcare is required to classify Resident Liabilities totalling $121,725,180 (2018: $102,448,012) (note 18) 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 $6,460,762 (2018: $6,391,681), refer Note 18. 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 and refundable accommodation deposits of $115,264,418 (2018: $96,056,331), refer Note 18. 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. 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 entity has $117,946,394 (2018: $107,047,663) 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 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.

NOTE 2: REVENUE

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Revenue			
Shop revenue		33,866,371	33,789,579
Donations			
- General		5,064,508	6,397,249
- Disaster appeal	(a)	3,446,863	4,985
- Special appeal		351,836	287,070
		8,863,207	6,689,304
Bequests		2,029,102	4,202,231
Government Funding			
- General funding for specific purpose		183,152,172	162,175,344
- Disaster Appeal	(a)	1,069,000	-
- National Disability Insurance Scheme		4,474,085	3,064,963
- Capital Funding		936,546	721,417
		189,631,803	165,961,724
Interest received			
- Cash and cash equivalents		314,747	343,928
- Investments at fair value through profit or loss	10(b)	322,503	210,321
- Other investments		5,021,428	4,991,027
		5,658,678	5,545,276
Dividends received	10(b)	1,773,713	1,740,768
Contributions for Service		80,270,143	76,225,834
Daily accommodation payments		5,022,271	4,455,492
Other Revenue		5,528,932	4,015,044
Placement Fee		393,382	242,773
Revenue		333,037,602	302,868,02
Other Income			
- Gain/ (Loss) on sale of property, plant and equipment		1,678,371	711,857
- Fair value gain on investments	10(b)	241,024	399,052
- Accommodation bond retention		361,774	327,179
		335,318,771	304,306,113

NOTE 2: REVENUE (CONTINUED)

(a) Disaster Fund Revenue

Included in the Disaster Funds are the funds received for the Queensland Drought and the North Queensland Monsoonal Event through both the Society's fundraising efforts and the State and Federal Government grant funding.

Accounting Policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. 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 services

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

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery and/ or 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

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

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.

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the group obtains control of the funds.

The group has determined that capital grant income shall be recognised over the term of the agreement where the terms of the grant include service requirements and other conditions. As the conditional agreement extends to the life of the agreement (20 to 40 years) the group has determined that the capital grants will be initially recognised as a deferred income liability and amortised to capital grant income over the period of the agreement.

Interest revenue

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

NOTE 2: REVENUE (CONTINUED)

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.

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.

NOTE 3: OPERATING EXPENSES

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Specific required disclosures are:			
Depreciation of property, plant and equipment	9(a)	22,837,429	20,522,847
Amortisation of Intangibles	12	235,922	571,991
Depreciation of Investment Property	13	427,443	417,987
Disaster expenses	(a)	5,207,113	257,485
Write off of fixed assets		179,865	444,745
Rental expense on operating leases			
- Minimum lease payments		5,968,544	5,341,436
Employee benefits		188,398,089	175,378,953
Defined contribution superannuation expense		12,950,053	12,171,633
Finance costs		405,558	461,385

(a) Disaster Fund Expenditure

The Disaster Funds Assistance provided was for those impacted by the Queensland Drought in Western and Northern Queensland, and the North Queensland Monsoonal Event that impacted residents and farmers from Townsville to Mt Isa.

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 Consolidated Statement of Cash Flows and is included in payments to suppliers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4: AUDITORS' REMUNERATION

	CONSOL 2019 $	CONSOL 2018 $
Amount paid to BDO for:		
Audit of financial report and grant financial returns	245,563	277,342
Indirect taxation services	12,000	-
Other Assurance Services	30,000	-
	287,563	277,342

NOTE 5: CASH AND CASH EQUIVALENTS

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Cash on Hand		94,435	93,222
Cash at Bank		37,621,667	20,488,350
Term Deposits		3,162,276	6,944,676
Cash at Bank - Capital Replacement Fund	(a)	216,671	205,838
		41,095,049	27,732,086

(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 2019 $	CONSOL 2018 $
Trade and other receivables	5,486,587	5,014,388
	5,486,587	5,014,388

Accounting Policy

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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.

NOTE 7: OTHER ASSETS

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Current			
Prepayments		2,563,211	2,756,997
Accrued income		693,332	1,064,426
		3,256,543	3,821,423
Non-Current			
Other assets	(a)	100,000	100,000
		100,000	100,000

(a) Other Assets

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.

NOTE 8: ASSETS HELD FOR SALE

	NOTE	CONSOL 2018 $	SVDP 2016 $
Assets held for sale	(a)	1,543,123	187,000
		1,543,123	187,000

(a) Assets Held for Sale

Assets held for sale is land surplus to needs and includes property at Acacia Ridge and Augustine Heights.

Accounting Policy

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

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	CONSOL 2019 $	CONSOL 2018 $
Land and Buildings		
At Cost	435,420,853	390,361,006
Less accumulated depreciation	(48,404,245)	(34,163,710)
	387,016,608	356,197,296
Leasehold Improvements		
At Cost	7,558,053	7,468,787
Less accumulated depreciation	(2,611,220)	(1,716,306)
	4,946,833	5,752,481
Total Land and Buildings	391,963,441	361,949,777
Plant and Equipment		
At Cost	54,434,995	46,827,307
Less accumulated depreciation	(22,462,027)	(19,680,562)
Total Plant and Equipment	31,972,968	27,146,745
Work in Progress	21,338,638	29,573,085
Make Good Leased Premises		
At Cost	930,401	779,945
Less accumulated depreciation	(479,481))	(449,936)
Total Make Good Leased Premises	450,920	330,009
	445,725,967	418,999,616

NOTE 9: 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 2019 $	CONSOL 2018 $
Land and Buildings		
Carrying amount at the beginning of the financial year	356,197,296	304,978,725
Additions	18,542,719	21,539,857
Disposals	(244,170)	(1,786,521)
Transfers	28,509,919	44,363,786
Transfers to Assets held for sale	(1,543,123)	(187,000)
Less depreciation	(14,446,033)	(12,711,551)
Carrying amount at the end of the financial year	387,016,608	356,197,296
Leasehold Improvements		
Carrying amount at the beginning of the financial year	5,752,481	6,409,862
Additions	46,781	267,517
Disposals	-	(6,955)
Transfers	42,485	(114,171)
Less depreciation	(894,914)	(803,772)
Carrying amount at the end of the financial year	4,946,833	5,752,481
Total Land, Buildings & Leasehold Improvements		
Carrying amount at the beginning of the financial year	361,949,777	311,388,587
Additions	18,589,501	21,807,374
Disposals	(244,170)	(1,793,476)
Transfers	28,552,403	44,249,615
Transfers to Assets held for sale	(1,543,123)	(187,000)
Less depreciation	(15,340,947)	(13,515,323)
Carrying amount at the end of the financial year	391,963,441	361,949,777

NOTE 9: PROPERTY, PLANT & EQUIPMENT (CONTINUED)

Reconciliations (continued)

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Plant and Equipment			
Carrying amount at the beginning of the financial year		27,146,745	24,767,812
Additions		24,961,947	21,698,599
Disposals		(12,839,746)	(12,782,867)
Transfers		148,810	310,614
Less depreciation		(7,444,788)	(6,847,413)
Carrying amount at the end of the financial year		31,972,968	27,146,745
Work in Progress			
Carrying amount at the beginning of the financial year		29,573,085	39,204,829
Additions		20,466,765	34,928,485
Transfers		(28,701,212)	(44,560,229)
Carrying amount at the end of the financial year		21,338,638	29,573,085
Make Good Leased Premises			
Carrying amount at the beginning of the financial year		330,009	141,197
Additions		279,829	351,157
Disposals		(107,223)	(2,234)
Less depreciation		(51,695)	(160,111)
Carrying amount at the end of the financial year		450,920	330,009
Total Property, Plant & Equipment			
Carrying amount at the beginning of the financial year		418,999,616	375,502,425
Additions (excluding make good leased premises)		64,018,212	78,434,458
Movement in make good leased premises (non-cash)		172,606	348,923
Disposals		(13,083,916)	(14,576,343)
Transfers to assets held for sale		(1,543,123)	(187,000)
Less depreciation	3	(22,837,429)	(20,522,847)
Carrying amount at the end of the financial year		445,725,967	418,999,616

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 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	***Depreciation Rates***
Buildings	*2.5 to 5%*
Leasehold Improvements	*Term of lease*
Plant and Equipment	*15% to 33%*
Make Good Leased Premises	*Initial lease period*

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

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 25(a) and 25(b).

(a) Investments at fair value through profit or loss

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Listed investments - Primary markets			
- Australian Equities	10(c)	10,790,770	12,252,793
- International Equities	10(c)	439,924	272,360
- Interest Rate Notes	10(c)	-	209,184
- Preference Shares	10(c)	867,953	1,288,660
Listed investments - Other markets			
- Interest Rate Notes	10(c)	-	5,625,640
Unlisted investments			
- Unlisted international managed funds	10(c)	4,982,573	3,884,410
- Unlisted domestic managed funds	10(c)	719,307	-
		17,800,527	23,533,047

(b) Return on Investments at fair value through profit and loss

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Recognised in surplus for the year:			
- Interest Received	2	322,503	210,321
- Dividends Received	2	1,773,713	1,740,768
- Gain/(Loss) on fair value	2	241,024	399,052
		2,337,240	2,350,141

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

(c) Reconciliation of Investments

	CONSOL 2019 $	CONSOL 2018 $
Reconciliations of the carrying amounts of:		
Listed investments - Primary markets		
- Australian Equities		
Carrying amount at the beginning of the financial year	12,252,794	9,347,712
Additions	2,312,328	3,216,521
Disposals	(3,685,183)	(1,001,792)
Transfer	-	413,678
Net revaluation increase/(decrease)	(89,169)	276,674
Carrying amount at the end of the financial year	10,790,770	12,252,793
- International Equities		
Carrying amount at the beginning of the financial year	272,360	-
Additions	125,493	236,357
Net revaluation increase/(decrease)	42,071	36,003
Carrying amount at the end of the financial year	439,924	272,360
- Interest Rate Notes		
Carrying amount at the beginning of the financial year	209,184	4,027,489
Additions	1,600,607	216,870
Disposals	(191,499)	(953,209)
Transfer to other investments	(1,657,310)	(3,076,910)
Net revaluation increase/(decrease)	39,018	(5,056)
Carrying amount at the end of the financial year	-	209,184
- Preference Shares		
Carrying amount at the beginning of the financial year	1,288,660	511,999
Additions	49,175	789,398
Disposals	(504,250)	(1,027,298)
Transfer	-	1,031,502
Net revaluation increase/ (decrease)	34,368	(16,941)
Carrying amount at the end of the financial year	867,953	1,288,660

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

(c) Reconciliation of Investments (continued)

	CONSOL 2019 $	CONSOL 2018 $
Listed investments - Other markets		
- Property		
Carrying amount at the beginning of the financial year	-	413,680
Additions	-	28,980
Disposals	-	(29,002)
Transfer	-	(413,680)
Net revaluation increase/(decrease)	-	22
Carrying amount at the end of the financial year	-	-
- Interest Rate Notes		
Carrying amount at the beginning of the financial year	5,625,640	3,071,100
Additions	1,536,750	495,420
Disposals	(2,012,980)	-
Transfer to other investments	(5,155,960)	2,045,410
Net revaluation increase/(decrease)	6,550	13,710
Carrying amount at the end of the financial year	-	5,625,640
Unlisted Investments		
- Unlisted international managed funds		
Carrying amount at the beginning of the financial year	3,884,410	4,262,639
Additions	1,470,591	1,145,218
Disposals	(667,492)	(1,618,087)
Transfer	-	-
Net revaluation increase/(decrease)	295,064	96,640
Carrying amount at the end of the financial year	4,982,573	3,884,410
- Unlisted domestic managed funds		
Carrying amount at the beginning of the financial year	-	-
Additions	806,185	-
Net revaluation increase/(decrease)	(86,878)	-
Carrying amount at the end of the financial year	719,307	-

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

	CONSOL 2019 $	CONSOL 2018 $
Summary		
Carrying amount at the beginning of the financial year	23,533,048	21,634,619
Additions	7,901,129	6,128,764
Disposals	(7,061,404)	(4,629,388)
Transfer to other investments	(6,813,270)	-
Net revaluation increase/(decrease)	241,024	399,052
Carrying amount at the end of the financial year	17,800,527	23,533,047

Due to changes to AASB9 balances for interest rate notes previously accounted for as Investments at fair value through profit or loss have been transferred and reclassified as Other Investments as at 30 June 2019, refer Note 11

NOTE 11: OTHER INVESTMENTS

	CONSOL 2019 $	CONSOL 2018 $
Current		
Financial assets at amortised costs:		
Bank term deposits	-	5,000,000
	-	5,000,000
Non-current		
Fair value through other comprehensive income:		
Interest bearing notes	117,946,394	107,047,663
	117,946,394	107,047,663

NOTE 11: OTHER INVESTMENTS (CONTINUED)

Accounting Policy

Included in Other Investments is $6,813,270 transferred from Investments at fair value through profit or loss as at 30 June 2019, refer Note 10.

Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (OCI) comprise:

- interest bearing notes 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 equity investments, any balance within the financial asset revaluation reserve for these equity investments is reclassified to profit or loss. The amount reclassified during the year was $848,040 (2018: $546,155).

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 and 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. This includes investments that are not interest bearing notes or term deposits. 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 (which is generally based on the market value of underlying listed investments; and on valuations obtained by the manager, for unlisted assets held in the managed fund portfolio).

NOTE 12: INTANGIBLE ASSETS

	CONSOL 2019 $	CONSOL 2018 $
Computer Software		
At Cost	4,642,297	4,556,316
Less accumulated amortisation	(3,907,100)	(3,671,178)
	735,197	885,138
Aged Care Bed Licences		
Fair Value	35,851,268	35,851,268
	35,851,268	35,851,268
	36,586,465	36,736,406

Reconciliations

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

	CONSOL 2019 $	CONSOL 2018 $
Carrying amount at the beginning of the financial year	36,736,406	37,095,206
Additions	85,981	213,191
Less amortisation	(235,922)	(571,991)
Carrying amount at the end of the financial year	36,586,465	36,736,406

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. Provided Ozcare complies with Department of Health requirements, Aged Care Bed Licences have an indefinite life and accordingly they are not amortised.

Computer Software used in internal management systems, whether acquired or internally developed is stated at cost less amortisation. Computer Software added as a result of the resumption of control of Ozcare are recorded at fair value at the date control was resumed. Computer Software is amortised on a straight line basis over an assumed useful life of 5 years.

Impairment

Indefinite-life intangible assets (including Aged Care Bed Licences) 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 / is identified, 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.

NOTE 13: INVESTMENT PROPERTY

	CONSOL 2019 $	CONSOL 2018 $
Land & Buildings	9,049,277	8,970,013
Less accumulated depreciation	(1,276,023)	(848,580)
	7,773,254	8,121,433
Movement		
Carrying amount at the beginning of the financial year	8,121,433	8,384,350
Additions	79,264	155,070
Less depreciation	(427,443)	(417,987)
Carrying amount at the end of the financial year	7,773,254	8,121,433

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. Investment property added as a result of the resumption of control of Ozcare was recorded at fair value at the date control was resumed. 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 2019 $	CONSOL 2018 $
Trade and Other Creditors	10,222,426	12,666,956
Client funds held	14,974,011	12,503,138
Sundry Creditors	10,208,583	9,768,600
	35,405,020	34,938,694

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 stated at gross amounts in the Consolidated Statement of Cash Flows and is included in payments to suppliers.

NOTE 15: BORROWINGS

	CONSOL 2019 $	CONSOL 2018 $
Current		
Borrowings	995,173	1,156,954
	995,173	1,156,954
Non-current		
Borrowings	6,244,444	7,123,153
	6,244,444	7,123,153
The carrying amounts of non-current assets pledged as security are:		
Freehold Land and Buildings	18,195,000	18,495,000

The Society has approved facility limits with the Archdiocesan Development Fund (the ADF) of $7,239,617 (2018: $8,280,107). The drawn down amount as at 30 June 2019 was $7,239,617 (2018: $8,280,107) with an amount available to draw of $Nil (2018: $Nil).

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: PROVISIONS

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Current			
Provision for Legal Matters	(a)	1,541,828	1,541,828
Employee Entitlements-Annual Leave		15,215,767	14,890,576
Employee Entitlements-Long Service Leave		9,047,633	8,125,856
		25,805,228	24,558,260
Non-current			
Make Good Leased Premises		930,400	779,945
Employee Entitlements- Long Service Leave		5,257,466	5,479,726
		6,187,866	6,259,671

(a) Key Judgements

A provision has been taken up for a requested refund of Federation Collateralized Debt Obligations (CDOs) received by the Society in 2009. Liquidators for Lehman Australia are seeking the return of these funds on the grounds that these funds were unlawfully distributed. They are also seeking interest of 9% p.a. on these funds. As this is now in excess of 8 years since the claim arose, no interest has been accrued for the 2016 to 2019 financial years to reflect the reduced litigation risk of the matter.

The Society is following due process regarding the requirement to repay the funds, but has taken up a prudent provision of $1,541,828 (2018: $1,541,828) to provide for the likelihood that it is repayable.

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. 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.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on experience of employee departures and periods of service and is discounted using the rates attaching to corporate bonds at reporting date which most closely match the terms of maturity of the related liabilities.

NOTE 16: PROVISIONS (CONTINUED)

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 17: GRANTS IN ADVANCE

	CONSOL 2019 $	CONSOL 2018 $
Current		
Grants in advance - Operational	17,229,520	20,253,641
Grants in advance - Capital	3,771,159	720,505
	21,000,679	20,974,146
Non-current		
Subsidy in advance - Operational	-	197,494
Grants in advance - Capital	22,580,264	21,603,274
	22,580,264	21,800,768

Accounting Policy

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

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Non-reciprocal grants are recognised when the Group obtains control of the funds.

The Group has determined that capital grant income shall be recognised over the term of the agreement where the terms of the grant include service requirements and other conditions. As the conditional agreement extends to the life of the agreement (20 to 40 years) the Group has determined that the capital grants will be initially recognised as a deferred income liability and amortised to capital grant income over the period of the agreement.

NOTE 18: RESIDENT LIABILITIES

	CONSOL 2019 $	CONSOL 2018 $
Current		
Accommodation Bond and Refundable Accommodation Deposits	115,264,418	96,056,331
Ingoing Contributions	6,460,762	6,391,681
	121,725,180	102,448,012

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 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 19: EQUITY

	CONSOL 2019 $	CONSOL 2018 $
Financial Asset Revaluation Reserve	2,005,452	(558,072)
Mission Related Reserve	6,129,416	-
Property Revaluation Reserve	7,336,527	7,417,358
Accumulated Funds	421,943,783	410,242,960
	437,415,178	417,102,246

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 $80,830 (2018: $224,000).

NOTE 20: INTEREST IN SUBSIDIARIES

Subsidiary Entities

As of 30 June 2019, the Society had two subsidiaries, Ozcare (effective date 1 September 2016) and St Vincent de Paul Society Queensland Housing Limited, trading as Vinnies Housing (effective date 1 July 2017). These are both companies limited by guarantee, of which the Society is the sole member.

For further details on the operations of Ozcare refer to their financial report which can be found on their website https://www.ozcare.org.au/about-us/annual-reports/.

NOTE 21: PARENT NOTE

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

	SVDP 2019 $	SVDP 2018 $
Total comprehensive income for the year	6,669,465	8,581,046
Total current assets	20,911,841	16,542,013
Total non-current assets	116,478,946	114,824,344
Total assets	**137,390,787**	**131,366,357**
Total current liabilities	13,594,788	12,836,613
Total non-current liabilities	25,561,500	26,964,709
Total liabilities	**39,156,288**	**39,801,322**
Net assets/(liabilities)	**98,234,499**	**91,565,035**
Total equity	98,234,499	91,565,035

NOTE 22: CONTINGENT ASSETS & CONTINGENT LIABILITIES

There are legal proceedings in place relating to the default of the Collateralized Debt Obligations (CDOs) held by the Society and for which adequate provision has been made. Refer Note 16(a) Key Judgements for details.

The reports from the Aged Care Royal Commission (conducted 2019) and from the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (to be conducted 2019/20) are awaited. Whilst there are no known concerns for the group, any impact is yet to be determined.

The Society has joined the National Redress Scheme for people who have experienced institutional child sexual abuse. Any impact from the participation in this scheme will not be known for nine years.

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

NOTE 23: COMMITMENTS

(a) Operating lease commitments payable

Future minimum lease payments due on non-cancellable property operating leases greater than 12 months, with rent payable in advance.

The contingent rent provision within the lease agreement provides that the lease payment increases by either an agreed per annum percentage or CPI, until the end of the lease term.

	CONSOL 2019 $	SVDP 2018 $
Property- Operating Leases		
Not later than one year	4,155,949	4,185,260
Later than one year but not later than 5 years	5,661,479	5,916,630
Later than 5 years	71,817	145,788
	9,889,245	10,247,678

(b) Capital commitments

	CONSOL 2019 $	CONSOL 2018 $
Capital Expenditure Commitments		
Contracted for:		
Not later than one year	25,805,000	15,592,064
Later than one year but not later than 5 years	-	-
Total capital expenditure commitments	25,805,000	15,592,064

Accounting Policy

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

NOTE 24: 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 2019 $	CONSOL 2018 $
Cash on Hand	5	94,435	93,222
Cash at Bank	5	37,621,667	20,488,350
Term Deposits	5	3,162,276	6,944,676
Cash at Bank - Capital Replacement Fund	5	216,671	205,838
Balance per Statement of Cash Flows		41,095,049	27,732,086

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

	NOTE	CONSOL 2019 $	CONSOL 2018 $
Net Surplus		**17,749,409**	**16,631,164**
Non-cash flows in operating surplus			
Depreciation	9,12,13	23,500,794	21,169,930
Net (gain) on sale of fixed assets	2, 3	(1,498,506)	(529,219)
Bequest received in shares		(25,464)	(2,665,728)
Net fair value loss/(gain) on financial assets		(241,024)	(399,052)
Net loss/ (gain) on sale of financial assets at fair value through other comprehensive income	2	(848,040)	(546,154)
Accommodation Bond retentions and exit fees		(144,627)	(747,767)
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		1,744,487	(2,507,767)
(Increase)/decrease in other assets		(1,192,878)	(563,382)
(Increase)/decrease in inventories		23,716	17,548
Increase/(decrease) in trade and other payables		2,533	16,506,447
Increase/(decrease) in provisions and grants in advance		(1,064,518)	1,798,602
Cash flows from operations		38,005,882	48,164,622

NOTE 25: 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 2019 $	CONSOL 2018 $
Cash and cash equivalents	5	41,095,049	27,732,086
Trade and other receivables	6	5,486,587	5,014,388
Investments at fair value through profit or loss	10	17,800,527	23,533,047
Investments at fair value through other comprehensive income	11	117,946,394	107,047,663
Investments at amortised costs	11	-	5,000,000
		182,328,557	168,327,184

NOTE 25: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Cash and cash equivalents

Cash and cash equivalents are deposited with the Commonwealth, Westpac, ANZ and National Australia Bank, 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 $299,377 (2018: $307,248). 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.

All Lehmans CDOs have either matured or been impaired as at 30 June 2019. The details are as follows:

Liquidation of Lehmans Australia

The Society made a claim of $1,848,326 in August 2015.

Dividends/settlement payments received to 30 June 2019: $1,631,832, 88.28% claim recovery (2018: $1,631,832).

Federation Notes dispute

Lehmans US is attempting to recover payment of $1,000,000 investment redeemed by the Society in 2008. The action includes a claim for payment of interest and costs. The Society was joined as a party to the recovery proceedings in 2014. Limited steps have been taken and in the interim is being monitored by the Society's legal advisors. Refer Note 16(a) Key Judgements for details.

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 25: 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 25(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 $142,874,554 as at 30 June 2019 (2018: $123,076,145). Total financial liabilities that are charged interest at a floating rate are $10,290,271as at 30 June 2019 (2018: $8,280,106).

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 a market. 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.

The group's exposure to price and currency risk is detailed in Note 10.

NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE

With the exception of the below matters there are no other post balance date events to report.

The Society and Ozcare transferred the programs delivering Homelessness and Community Support from Ozcare management to Society management as of 1 July 2019. This will not affect the consolidated numbers but will be reflected in the Parent note, and will be fully disclosed in next years Financial Report.

Capital Expenditure contracted post 30 June 2019 included commercial property in Mackay and Southport of $4,950,000.

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 27: 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	
Amanda Rickman	June Chandler	Dennis Innes
Annette Baker	Professor Susan Dann	Annette Baker
Dan Carroll	Peter Driver	Gregory Coghlan
Larry Mann	Fred Gillett	Michael Ford
Matt Nunan	John Thomas	John Forrest
Peter Madden	Matthew Vanderbyl	Terrence Boyd
Robert Doyle	Katherine Sadler	
Robert Leach		
Alister Crocker		
Garry Webb		
Dennis Innes		
John Harrison		
Lachlan Dent		
Margaret Lawton		
	DURING PERIOD:	
Ron Sullivan (ceased November 2018)	Ron Sullivan (ceased November 2018)	
John Thomas (commenced January 2019)		
Philip Cranny (commenced July 2018)		

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 27: RELATED PARTY TRANSACTIONS (CONTINUED)

Other key management personnel as at 30 June 2019 were:

SDVP-QLD	OZCARE	VINNIES HOUSING
Peter Maher *Chief Executive Officer* (retired 30 August 2019) Kevin Mercer *Chief Executive Officer* (commenced 28 January 2019) Deborah Nisbet *General Manager - Finance & Business Services* Joe Duskovic *General Manager - Risk & Compliance* Carolyn Savauge *General Manager - People & Culture* Jackie Youngblutt *General Manager - Programs* Kirstin Hinchliffe *General Manager - Strategy, Employment & Safety* Roberta Jays *General Manager - Retail* (ceased 30 June 2019)	Anthony Godfrey *Chief Executive Officer* Damian Foley *Chief Operating Officer* Dinuke Christie-David *Chief Financial Officer* Russell Young *Group Manager Construction & Property* Joel Reading *Group Manager Risk & Compliance* Brett Warhurst *Group Manager People* Bill Allan *Manager Finance* Sarah Chapman *Head of Brand & Communication*	Sharon Shearsmith *Chief Executive Officer*

Key management personnel remuneration includes reportable fringe benefits on motor vehicles supplied:

	CONSOL 2019 $	CONSOL 2018 $
Remuneration including reportable fringe benefits on motor vehicles	4,262,021	4,118,212

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

RANGE	CONSOL 2019	SVDP 2018
$0-40k	28	29
$80-160k	5	5
$160k and above	13	17

Ozcare

There have been no transactions with Ozcare during the financial year (2018: NIL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 27: RELATED PARTY TRANSACTIONS (CONTINUED)

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 $157,320 (2018: $47,146) have been received this year from Vinnies Housing for surplus from housing operations.

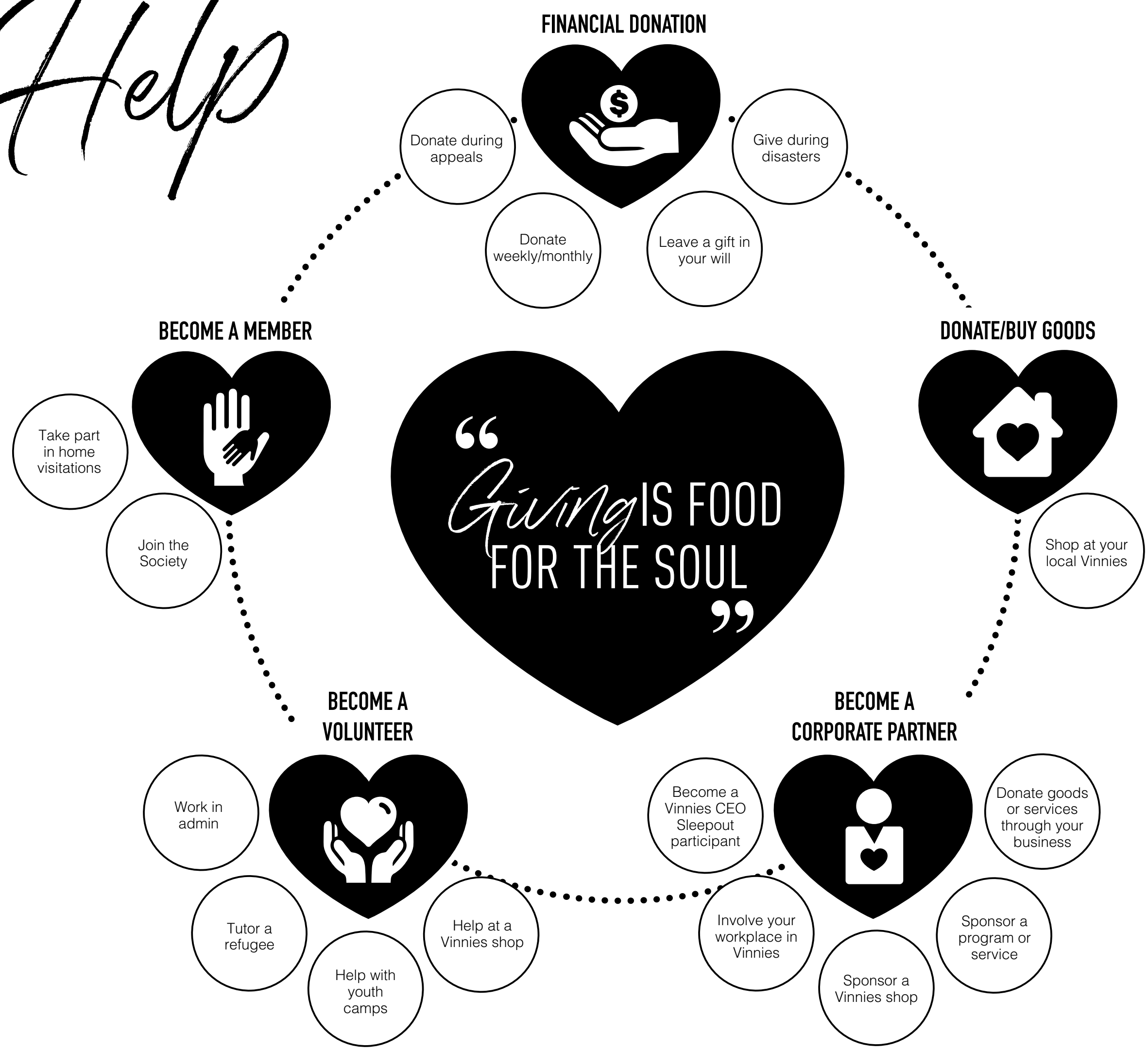
MOU between SVDPQ, Vinnies Housing & Government

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 not yet signed the MOU but is expected to do so in FY2020.

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 $638,731 (2018: $779,581) to St Vincent de Paul Society entities outside Queensland. These include payments made to National Council for Levies and Twinning, and receipts of Disaster funds and receipts from St Vincent de Paul Society Northern Territory for support services provided.

HOW YOU CAN *Help*



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St Vincent de Paul Society
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good works