Vinnies Annual Financial Report

2019–20

St Vincent de Paul Society
QUEENSLAND
good works

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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 2020 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

10th October 2020

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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 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Statement by the State Council.

In our opinion the accompanying financial report of St Vincent De Paul 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 2020 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 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.

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

BDO

Anthony Whyte
Director

Brisbane, 10 October 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	CONSOL 2020 $			CONSOL 2019 $		
	REVENUE	OPERATING EXPENSES	NET SURPLUS / (DEFICIT)	REVENUE	OPERATING EXPENSES	NET SURPLUS / (DEFICIT)
Community Services						
Child & Family Support	8,677,285	8,517,201	160,084	5,509,704	5,544,384	(34,680)
Homelessness	18,720,187	18,628,396	91,791	25,797,424	23,197,984	2,599,440
Help for People in Crisis	3,174,698	8,479,057	(5,304,359)	2,446,498	8,231,632	(5,785,134)
Natural Disaster Relief	3,525,896	2,343,040	1,182,856	5,286,547	5,233,029	53,518
Migrants, Refugees & Overseas	307,963	589,693	(281,730)	649,523	951,081	(301,558)
Youth	152,286	1,526,994	(1,374,708)	106,546	1,520,458	(1,413,912)
Community Housing	3,280,453	3,687,831	(407,378)	3,775,125	3,168,912	606,213
Aged Care	132,738,667	128,622,557	4,116,110	119,293,313	120,288,724	(995,411)
Community Care & Health	130,177,902	100,310,626	29,867,276	120,397,183	89,887,044	30,510,139
	300,755,337	**272,705,395**	**28,049,942**	**283,261,863**	**258,023,249**	**25,238,615**
Supporting Services						
Fundraising	5,385,818	1,090,434	4,295,384	5,501,286	902,397	4,598,889
Administration	267,813	953,532	(685,719)	132,548	884,144	(751,596)
Operations	5,066,330	16,317,061	(11,250,731)	5,826,438	13,498,812	(7,672,374)
Retail	30,046,024	18,353,796	11,692,228	33,513,926	18,943,254	14,570,672
Warehouse	1,204,019	5,093,658	(3,889,639)	1,277,683	5,457,391	(4,179,708)
Membership Spiritual Development	94,542	939,998	(845,456)	-	843,017	(843,017)
	42,064,546	**42,748,479**	**(683,933)**	**46,251,881**	**40,529,015**	**5,722,866**
Shared Services						
Finance	5,068,192	5,502,583	(434,391)	5,769,062	7,449,028	(1,679,966)
Human Resources	60,300	1,927,525	(1,867,225)	915	1,816,194	(1,815,279)
Information Technology	20,150	7,496,771	(7,476,621)	-	8,162,570	(8,162,570)
Legal & Compliance	60,325	1,084,700	(1,024,375)	35,050	1,589,307	(1,554,257)
	5,208,967	**16,011,579**	**(10,802,612)**	**5,805,027**	**19,017,099**	**(13,212,072)**
	348,028,850	**331,465,453**	**16,563,397**	**335,318,771**	**317,569,363**	**17,749,409**
Total Surplus			**16,563,397**			**17,749,409**

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

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	CONSOL 2020 $	CONSOL 2019 $
		NET SURPLUS / (DEFICIT)	NET SURPLUS / (DEFICIT)
Total Surplus brought forward	2,3	16,563,397	17,749,409
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Change in the fair value of financial assets		(1,660,730)	3,411,563
Items that will be reclassified to profit or loss:			
Transfer of gain on disposal of financial assets	11	(72,927)	(848,040)
Other comprehensive income for the year		(1,733,657)	2,563,523
Total comprehensive income for the year		**14,829,740**	**20,312,932**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Current assets			
Cash and cash equivalents	5	41,191,034	41,095,049
Trade and other receivables	6	8,979,360	5,486,587
Inventories		35,818	45,123
Other financial assets	7	3,345,875	3,256,543
Assets held for sale	8	2,279,546	1,543,123
Total current assets		**55,831,633**	**51,426,425**
Non-current assets			
Other assets	7	100,000	100,000
Property, plant and equipment	9(a)	464,173,008	445,725,967
Right-of-use assets	9(b)	37,033,425	-
Investments at fair value through profit or loss	10	16,046,208	17,800,527
Other investments	11	131,461,743	117,946,394
Intangible assets	12	37,010,774	36,586,465
Investment property	13	7,471,853	7,773,254
Total non-current assets		**693,297,011**	**625,932,607**
Total assets		**749,128,644**	**677,359,032**
Current liabilities			
Trade and other payables	14	36,998,634	35,405,020
Provisions	17	28,181,075	25,805,228
Borrowings	15	249,508	995,173
Lease liabilities	16	17,333,607	-
Grants in advance	18	17,995,555	21,000,679
Residential liabilities	19	140,372,225	121,725,180
Total current liabilities		**241,130,604**	**204,931,280**
Non-current liabilities			
Borrowings	15	6,259,678	6,244,444
Lease liabilities	16	19,996,735	-
Provisions	17	5,961,246	6,187,866
Grants in advance	18	21,916,292	22,580,264
Total non-current liabilities		**54,133,951**	**35,012,574**
Total liabilities		**295,264,555**	**239,943,854**
Net assets/(liabilities)		**453,864,089**	**437,415,178**
Equity			
Reserves	20	17,121,230	15,471,395
Accumulated funds	20	436,742,859	421,943,783
Total equity		**453,864,089**	**437,415,178**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	$	RESERVES $	$	ACCUMULATED FUNDS $	TOTAL $
		PROPERTY REVALUATION RESERVE	MISSION RELATED RESERVE	FINANCIAL ASSET RESERVE		
Balance at 30 June 2018		**7,417,357**	**-**	**(558,071)**	**410,242,961**	**417,102,247**
Total comprehensive income for the period						
Net surplus for the period 30 June 2019		-	-	-	17,749,408	17,749,408
Changes in the fair value of debt instruments at fair value through other comprehensive income		-	-	3,411,563	-	3,411,563
Transfer of 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	17,749,408	20,312,931
Transfer to Reserves		-	6,129,416	-	(6,129,416)	-
Reclassification adjustment on disposal of property		(80,830)	-	-	80,830	-
Balance at 30 June 2019	20	**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
Total comprehensive income for the period						
Net surplus for the period 30 June 2020		-	-	-	16,563,397	16,563,397
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		-	-	(72,927)	-	(72,927)
Total comprehensive income for the period		**-**	**-**	**(1,733,657)**	**18,182,568**	**16,448,911**
Transfer to/from 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**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Cash flows from Operating Activities			
Receipts from operating activities		360,331,905	339,890,547
Payments to suppliers and employees		(315,910,602)	(309,015,373)
Interest received		5,064,756	3,935,947
Dividends received		1,267,969	3,546,765
Finance costs		(277,916)	(352,004)
Finance costs from leasing		(1,489,029)	-
Net cash provided by operating activities	25(b)	**48,987,083**	**38,005,822**
Cash flows from Investing Activities			
Proceeds - sale of property, plant and equipment		12,093,544	6,996,556
Proceeds - sale of financial assets		41,066,546	108,243,992
Payment for financial assets		(55,159,525)	(104,732,152)
Payment for property, plant and equipment		(56,372,309)	(53,279,695)
Payment for software		(618,647)	-
Net cash used in investing activities		**(58,990,391)**	**(42,771,299)**
Cash flows from Financing Activities			
Repayment of borrowings		(4,716,696)	(1,293,415)
Lease payment (principal)		(4,207,988)	-
Net contributions received/(refund) of resident liabilities		19,023,977	19,421,795
Net cash provided by/(used in) financing activities		**10,099,293**	**18,128,380**
Net increase/(decrease) in cash		95,985	13,362,963
Cash and cash equivalents at the beginning of the financial year		41,095,049	27,732,086
Cash and cash equivalents at the end of the financial year	25(a)	**41,191,034**	**41,095,049**

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 2020

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 10 October 2020 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 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 2019 have been adopted. These include AASB 15 Revenue from Contracts with Customers, AASB 1058 Income for Not-For-Profit Entities and AASB 16 Leases.

The adoption of these standards and interpretations have a material impact on the current period and is likely to have material impact in future periods.

AASB 15 Revenue from Contracts with Customers

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 previously under AASB 118 Revenue.

The group has applied AASB 15 transitional provision retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application through opening retained earnings. It has worked through all contracts and has ascertained those that did not meet AASB 15 have been accounted under AASB 1058 where income is recognised as the group obtains control of funds. Refer additional disclosures in Note 2.

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

AASB 1058 Income of Not-for-profit Entities

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. Volunteer services have not been recognised in this financial report.

AASB 16 Leases

AASB 16 eliminates the operating and finance lease classifications for lessees previously 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 finance leases were treated under AASB 117. An entity is required to recognise a lease liability and a Right-of-use asset in its statement of financial position for most leases.

As the Lessee

The first time adoption of the Standard for the year ended 30 June 2020 affected primarily the accounting for the group's operating leases for commercial property.

The group adopted AASB 16 using the modified retrospective method of adoption, with the date of initial application 1 July 2019, and no restatement of comparatives.

The group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease;
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases; and
- The exclusion of initial direct costs for the measurement of the Right-of-use asset at the date of initial application.

The group had significant operating leases outstanding at the date of initial application. A Right-of-use asset of $26,761,539 was recognised for the amount of the unamortised portion of the useful life equal to lease liability adjusted for prepayments and accruals, and a consequent lease liability of $26,761,539 was recognised, calculated using the present value of the outstanding lease payments, discounted by the group's incremental borrowing rate of 4.6%.

Practical expedients under AASB 16 has allowed the rent relaxation of $514,971 granted by landlords for the retail operation to be recognised as Gain on Right-ofuse assets for rent relaxation (note 2).

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

Under AASB 16 the standard requires lease payments to be split between principal repayment of the Lease Liability and interest, calculated on the Right-of-use assets. The Right-of-use assets are further amortised over the expected life of the lease. The impact to the Financial Report at 30 June 2020 is as follows:

Expenses	***$***
Interest expense	1,510,164
Depreciation expense	8,064,875
Other income from COVID-19 related rent concessions (Note 2(g))	514,971
Balance sheet	
Current- Lease liability (note 16)	17,333,607
Non-current- Lease liability (Note 16)	19,996,735
Right-of-use assets (Note 9b)	44,537,755
Right-of-use assets - accumulated amortisation (Note 9b)	7,504,330

As the Lessor

Ozcare holds upfront refundable accommodation deposits (RADs), as interest free loans repayable when residents leave the facility. As there is an identifiable asset, the resident obtains substantially all the economic benefit, and the resident has the right to direct the use of the asset, this interest free loan constitutes a lease under AASB 16, with Ozcare being the lessor. Under the RAD and Bond agreements, Ozcare is considered to provide a non-cash accommodation service in return for a financing benefit in the form of an interest free loan. Adoption of AASB 16 results in the recognition of an increase in revenue for accommodation $806,493 and an increase in interest expense of $806,493 on the outstanding RAD liability, with no net impact on the result for the period.

The group has not elected to apply any other Standards or pronouncements before their operative date in the annual reporting period beginning 1 July 2019.

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.

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.

COVID-19 impact on going concern determination

In the light of COVID-19's unprecedented impact on the economic outlook of Australia, the management has considered the group's solvency and ability to continue to operate as a going concern. In making their assessment, management has taken into consideration past and future impacts including:

- revenue impact from the retail operation being closed for 6 weeks in the fourth quarter (and their subsequent opening);
- changes in expenditure from an organisational restructure implemented, and relaxation of lease payments for retail premises;
- working capital availability given the impact to retail revenue of the past and any future shutdowns;
- investment market value being impacted by the confidence of the market, and future dividend and interest income streams;
- decrease of both community assistance and service demand due to the required isolation, and increase of government support through JobKeeper and JobSeeker allowances;
- impact of reduced volunteer support resources available to the group;
- impact to fundraising activities and events due to social distancing and lockdowns.

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

Actions taken by the group to mitigate impact included:

- negotiation of a working capital $7m line of credit;
- all loan repayments put on hold for 12 months and an increase of terms by 2 years;
- drawdown of $1.9m from investment portfolio;
- hibernation of all retail operations for 6 weeks, with a full assessment of retail operations, resulting in some facilities and locations not reopening;
- negotiated 25% rent relaxation across retail operation for 3 months;
- full analysis of daily and monthly cashflow forecast to ensure cashflow availability ;
- all discretionary Capital expenditure and Operating expenditure for projects put on hold until future certainty improved.

The group has assessed all the above and concluded:

- there is long history of operational profitability:
- agility shown with volunteers and staff working from home and conducting virtual meetings;
- minimal impact to community funding and services other than retail operations;
- positive operating cashflows have been generated prior to COVID-19; and
- a strong capital reserve exists, providing financial resources to meet its debts as and when they fall due and payable;

Based on the above assessment (and consequent conclusions drawn) by management, State Council has concluded the group is a going concern.

Key judgments 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 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 16	Lease liability
Note 17	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.

NOTE 1: GENERAL ACCOUNTING POLICIES (CONTINUED)

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 2020, 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.

Whilst there is nil financial impact on consolidation, the transfer of programs delivering Homelessness and Community Support from Ozcare to Society management occurred on 1 July 2019, created a material change to the Financial Performance and Financial Position for the individual entities of the Group. Included in the transfer were Employee Provisions, Gift Funds and Property Plant and Equipment. This change is reflected in the Parent Note (Note 22).

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 $185,298,971 (2019: $153,504,855).

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 $140,372,225 (2019: $121,725,180) (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 $6,062,632 (2019: $6,460,762), 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 $134,309,593 (2019: $115,264,418), 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 $131,461,743 (2019: $117,946,394) 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.

NOTE 2: REVENUE

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Revenue			
Shop revenue	(h)	29,656,910	33,866,371
Donations			
- General		4,539,744	5,064,508
- Disaster appeal	(a)	2,599,841	3,446,863
- Special appeal		291,049	351,836
	(i)	7,430,634	8,863,207
Bequests		4,253,128	2,029,102
Government Funding			
- General operating	(b), (i)	4,936,675	183,152,172
- Contract	(c), (i)	1 89,920,807	-
- Capital Funding	(d), (i)	1,195,766	936,546
- Disaster Appeal	(a), (i)	1,067,282	1,069,000
- National Disability Insurance Scheme	(h)	4,783,177	4,474,085
- COVID-19 Payments	(e), (i)	4,675,864	-
		206,579,571	189,631,803
Interest received			
- Cash and cash equivalents		259,032	314,747
- Financial assets at fair value through profit or loss	10(b)	-	322,503
- Other financial assets		4,805,722	5,021,428
		5,064,754	5,658,678
Dividends received	10(b)	1,012,285	1,773,713
Contributions for Service	(h)	84,370,568	80,270,143
Daily accommodation payments	(h)	6,162,691	5,022,271
RAD Rental Income	(f), (h)	806,493	-
Other Revenue	(i)	2,817,684	5,528,932
Placement Fee	(h)	268,616	393,382
Revenue		348,423,334	333,037,602
Other Income			
- Gain/ (Loss) on sale of property, plant and equipment		775,210	1,678,371
- Gain/(Loss) on financial asset at fair value through profit & loss	10(b)	(1,684,664)	241,024
- Accommodation bond retention		-	361,774
- Gain on Right-of-use assets from rent relaxation	(g)	514,971	-
		348,028,850	335,318,771

NOTE 2: REVENUE (CONTINUED)

(a) Included in the Disaster appeal are the funds received for the Queensland Bushfire, Queensland Drought, the North Queensland Monsoonal Event and COVID-19 through both the group's fundraising efforts and the State and Federal Government grant funding.

(b) Operational General funds for government programs with "no specific performance" obligations are recognised in the period the funds are received. Transitional adjustment for 1 July 2019 included $597,319 under adoption of AASB 1058.

(c) Contract Revenue is reported in compliance with AASB 15 for Grant revenue. In prior periods, these were recognised as General Grants.

(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 and Cash Flow Boost

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

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

(h) Total contract revenue in accordance with AASB15 Revenue from contracts with customers $315,969,262

(i) Total income recognised in accordance with AASB 1058 Income of not-for-profit entities $22,123,904

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.

In the comparitive period, revenue was recognised to the extent that it was probable that the economic benefits would flow to the group and the revenue could 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 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 and volunteer hours including probono work received by the group (including from solicitors, members, volunteers, etc) cannot be reliably measured by the group, and as such, revenue from donations of these goods and services are not included in the financial statements.

NOTE 2: REVENUE (CONTINUED)

Accommodation bond retentions and Exit fees

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

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

Government grants

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

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligation is satisfied.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time generally revenue is recognised based on either cost or time incurred which best reflects the transfer of control. Grant income arising from an agreement which does not contain enforceable and sufficiently specific performance obligations is recognised when the grant is received.

Capital grants received under an enforceable agreement to enable the company to acquire or construct an item of property, plant and equipment which will be controlled by the company once complete, and 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 completed. Capital grants received in prior years where asset works have been completed, and for which there are no ongoing specific service obligations, have now been reclassified as prior period revenue and are reported as a component of Accumulated Funds $1,619,171 to transferred to retained earnings on transition to AASB 1058.

In the comparative period, the group had determined that capital grant income was to be recognised over the term of the agreement where the terms of the grant include service requirements and other conditions.

JobKeeper payment entitlement from Federal government for the period 30 March to 30 June 2020. This relates to the 2020 COVID-19 pandemic and is disclosed separately. Cash flow boost payments were made by the Federal Government to Vinnies Housing. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: REVENUE (CONTINUED)

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 2020 $	CONSOL 2019 $
Specific required disclosures are:			
Employee benefits		198,687,369	188,398,089
Defined contribution superannuation expense		17,377,101	12,950,053
Depreciation of property, plant and equipment	9(a)	22,920,715	22,837,429
Amortisation of Make Good provisions	9(a)	49,651	51,695
Amortisation of Intangibles	12(a)	293,325	235,922
Depreciation of Investment Property	13	430,220	427,443
Amortisation of Right-of-use assets	9(b)	8,064,875	-
Write off of fixed assets		285,039	179,865
Disaster expenses	(a)	1,526,513	5,207,113
Rental expense on operating leases			
- Minimum lease payments		204,597	5,968,544
Finance costs			
Lease interest expense	(b)	1,489,029	-
Accommodation bond / RAD interest expense	(c)	806,493	-
Other finance costs		329,749	405,558

(a) Disaster assistance provided was for those impacted by the Bushfires in central and western Queensland, the drought in western and northern Queensland, the North Queensland Monsoonal Event that impacted residents and farmers from Townsville to Mt Isa, and the Covid19 event that has impacted all Queenslanders.

(b) Consequent to the adoption of AASB 16 from its implementation date of 1 July 2019, interest expense is recognised for the lease liability of Right-of-use assets using the incremental borrowing rate of 4.6%.

(c) 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 2020 $	CONSOL 2019 $
Amount paid to BDO for:		
Audit of financial report and grant financial returns	253,766	245,563
Indirect taxation services and other advisory services	209,598	12,000
Other Assurance Services	23,045	30,000
	486,409	287,563

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

	CONSOL 2020 $	CONSOL 2019 $
Cash on hand	108,284	94,435
Cash at bank	38,537,165	37,621,667
Term deposits	2,374,551	3,162,276
Cash at bank - capital replacement fund	171,034	216,671
	41,191,034	41,095,049

(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 2020 $	CONSOL 2019 $
Trade and Other Receivables	8,979,360	5,486,587
	8,979,360	5,486,587

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 based on the expected credit loss. 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 2020 $	CONSOL 2019 $
Current			
Prepayments		2,893,797	2,563,211
Accrued income		452,078	693,332
		3,345,875	3,256,543
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 assets.

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 2020 $	CONSOL 2019 $
Assets held for sale	(a)	2,279,546	1,543,123
		2,279,546	1,543,123

(a) Assets held for sale is property surplus to needs and includes properties at Southport, Bundaberg 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(a): PROPERTY, PLANT & EQUIPMENT

	CONSOL 2020 $	CONSOL 2019 $
Land and buildings		
At Cost	459,908,128	435,420,853
Less accumulated depreciation	(63,782,592)	(48,404,245)
	396,125,536	387,016,608
Leasehold improvements		
At Cost	12,308,465	7,558,053
Less accumulated depreciation	(3,652,849)	(2,611,220)
	8,655,616	4,946,833
Total land and buildings	404,781,152	391,963,441
Plant and equipment		
At Cost	54,504,352	54,434,995
Less accumulated depreciation	(30,184,605)	(22,462,027)
Total Plant and Equipment	24,319,747	31,972,968
Work in progress	34,778,168	21,338,638
Make good leased premises		
At Cost	823,072	930,401
Less accumulated depreciation	(529,131)	(479,481)
Total make good leased premises	293,941	450,920
	464,173,008	445,725,967

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 2020 $	CONSOL 2019 $
Land and buildings		
Carrying amount at the beginning of the financial year	387,016,608	356,197,296
Additions	8,631,722	18,542,719
Disposals	(39,391)	(244,170)
Transfers	18,202,935	28,509,919
Transfers to Assets held for sale	(2,279,546)	(1,543,123)
Less depreciation	(15,406,792)	(14,446,033)
Carrying amount at the end of the financial year	396,125,536	387,016,608
Leasehold improvements		
Carrying amount at the beginning of the financial year	4,946,833	5,752,481
Additions	63,678	46,781
Disposals	(17,391)	-
Transfers	4,727,176	42,485
Less depreciation	(1,064,680)	(894,914)
Carrying amount at the end of the financial year	8,655,616	4,946,833
Total land and buildings		
Carrying amount at the beginning of the financial year	391,963,441	361,949,777
Additions	8,695,402	18,589,501
Disposals	(56,784)	(244,170)
Transfers	22,930,111	28,552,403
Transfers to Assets held for sale	(2,279,546)	(1,543,123)
Less depreciation	(16,471,472)	(15,340,947)
Carrying amount at the end of the financial year	404,781,152	391,963,441

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

Reconciliations (continued)

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Plant and equipment			
Carrying amount at the beginning of the financial year		31,972,968	27,146,745
Additions		12,388,497	24,961,947
Disposals		(9,859,667)	(12,839,746)
Transfers		(3,732,808)	148,810
Less depreciation		(6,449,243)	(7,444,788)
Carrying amount at the end of the financial year		24,319,747	31,972,968
Work in progress			
Carrying amount at the beginning of the financial year		21,338,638	29,573,085
Additions		37,062,275	20,466,765
Transfers		(23,622,745)	(28,701,212)
Carrying amount at the end of the financial year		34,778,168	21,338,638
Make good leased premises			
Carrying amount at the beginning of the financial year		450,920	330,009
Additions		76,932	279,829
Disposals		(184,261)	(107,223)
Less depreciation		(49,650)	(51,695)
Carrying amount at the end of the financial year		293,941	450,920
Total Property, plant & equipment			
Carrying amount at the beginning of the financial year		445,725,966	418,999,616
Additions (excluding Make good leased premises)		58,146,174	64,018,212
Movement in Make good leased premises (non-cash)		(156,980)	172,606
Disposals		(9,916,449)	(13,083,916)
Transfers to Right-of-use assets	9(b)	(4,425,442)	-
Transfers to Assets held for sale	8	(2,279,546)	(1,543,123)
Less depreciation	3	(22,920,715)	(22,837,429)
Carrying amount at the end of the financial year		464,173,008	445,725,967

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Right-of-use assets			
At cost		44,537,755	-
Less accumulated amortization		(7,504,330)	-
		37,033,425	-
Reconciliation			
Carrying amount at the beginning of the financial year		-	-
Transition opening balance as at 1 July 2019		26,761,539	-
Additions		16,708,283	-
Disposals		(2,796,964)	-
Transfers	9(a)	4,425,442	-
Less amortisation	3	(8,064,875)	-
Carrying amount at the end of the financial year		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 catagory.

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:

Right-of-use assets are recognised at the date of initial application of AASB 16 adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position immediately before the date of initial application. Right-of-use assets are amortised over the expected life of the lease.

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

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

Impairment

At each reporting date, management review a number of factors affecting property, plant and equipment, including their carrying values, to determine if these assets may be impaired. If an impairment indicator exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and 'value in use' is compared to the carrying value. Any excess of the asset's carrying value over its recoverable amounts is expensed in profit or loss as an impairment expense.

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

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

Goods and Services Tax

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 26(a) and 26(b).

(a) Investments at fair value through profit or loss

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Listed investments - Primary markets			
- Australian Equities	10(c)	9,820,734	10,790,770
- International Equities	10(c)	475,635	439,924
- Preference Shares	10(c)	1,035,972	867,953
Unlisted investments			
- Unlisted international managed funds	10(c)	3,912,157	4,982,573
- Unlisted domestic managed funds	10(c)	801,710	719,307
		16,046,208	17,800,527

(b) Return on Investments at fair value

Recognised in surplus for the year:			
- Interest Received	2	-	322,503
- Dividends Received	2	1,012,285	1,773,713
- Gain/(Loss) on fair value	2	(1,684,664)	241,024
		(672,379)	2,337,240

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

(c) Reconciliation of investments at fair value

	CONSOL 2020 $	CONSOL 2019 $
Reconciliations of the carrying amounts of:		
Listed investments - Primary markets		
- Australian equities		
Carrying amount at the beginning of the financial year	10,790,770	12,252,794
Additions	5,685,952	2,312,328
Disposals	(5,282,228)	(3,685,183)
Net revaluation increase/(decrease)	(1,373,760)	(89,169)
Carrying amount at the end of the financial year	9,820,734	10,790,770
- International equities		
Carrying amount at the beginning of the financial year	439,924	272,360
Additions	-	125,493
Net revaluation increase/(decrease)	35,711	42,071
Carrying amount at the end of the financial year	475,635	439,924
- Interest rate notes		
Carrying amount at the beginning of the financial year	-	209,184
Additions	-	1,600,607
Disposals	-	(191,499)
Transfer to other investments	-	(1,657,310)
Net revaluation increase/(decrease)	-	39,018
Carrying amount at the end of the financial year	-	-
- Preference shares		
Carrying amount at the beginning of the financial year	867,953	1,288,660
Additions	834,448	49,175
Disposals	(634,448)	(504,250)
Net revaluation increase/ (decrease)	(31,981)	34,368
Carrying amount at the end of the financial year	1,035,972	867,953

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

(c) Reconciliation of investments at fair value (continued)

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Unlisted investments			
- Interest rate notes			
Carrying amount at the beginning of the financial year		-	5,625,640
Additions		-	1,536,750
Disposals		-	(2,012,980)
Transfer to other investments		-	(5,155,960)
Net revaluation increase/(decrease)		-	6,550
Carrying amount at the end of the financial year		-	-
- Unlisted international managed funds			
Carrying amount at the beginning of the financial year		4,982,573	3,884,410
Additions		1,558,604	1,470,591
Disposals		(2,259,576)	(667,492)
Net revaluation increase/(decrease)		(369,444)	295,064
Carrying amount at the end of the financial year		3,912,157	4,982,573
- Unlisted domestic managed funds			
Carrying amount at the beginning of the financial year		719,307	-
Additions		27,593	806,185
Net revaluation increase/(decrease)		54,810	(86,878)
Carrying amount at the end of the financial year		801,710	719,307
Summary			
Carrying amount at the beginning of the financial year		17,800,527	23,533,048
Additions		8,106,598	7,901,129
Disposals		(8,176,253)	(7,061,404)
Transfer to other investments	11	-	(6,813,270)
Net revaluation increase/(decrease)		(1,684,664)	241,024
Carrying amount at the end of the financial year		16,046,208	17,800,527

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 2020 $	CONSOL 2019 $
Non-Current		
Fair value through other comprehensive income:		
Interest bearing notes	131,461,743	117,946,394
	131,461,743	117,946,394

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 2020 was $72,927 (2019: $848,040).

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. 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 2020 $	CONSOL 2019 $
Computer software		
At Cost	2,943,158	4,642,297
Less accumulated amortisation	(1,783,652)	(3,907,100)
	1,159,506	735,197
Aged care bed licences		
Fair value	35,851,268	35,851,268
	35,851,268	35,851,268
Total intangible assets	37,010,774	36,586,465

Reconciliations

Reconciliations of the carrying amounts of Computer software at the beginning and end of the current financial year is set out below:

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Carrying amount at the beginning of the financial year		735,197	885,138
Additions		1,274,812	85,981
Disposals		(557,178)	-
Less amortisation	3	(293,325)	(235,922)
Carrying amount at the end of the financial year		1,159,506	735,197

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 is amortised on a straight line basis over its useful life.

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, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-inuse calculations, which incorporate a number of key estimates and assumptions.

NOTE 13: INVESTMENT PROPERTY

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Land & buildings		9,361,785	9,049,277
Less accumulated depreciation		(1,889,932)	(1,276,023)
		7,471,853	7,773,254
Movement			
Carrying amount at the beginning of the financial year		7,773,254	8,121,433
Additions		128,819	79,264
Less depreciation	3	(430,220)	(427,443)
Carrying amount at the end of the financial year		7,471,853	7,773,254

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 2020 $	CONSOL 2019 $
Trade and other creditors	10,800,938	10,222,426
Client funds held	19,953,189	14,974,011
Sundry creditors	6,244,507	10,208,583
	36,998,634	35,405,020

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 group prior to the end of the financial year. The amounts are unsecured and are normally settled within 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 2020 $	CONSOL 2019 $
Current		
Borrowings	249,508	995,173
	249,508	995,173
Non-current		
Borrowings	6,259,678	6,244,444
	6,259,678	6,244,444
The carrying amounts of non-current assets pledged as security are:		
Freehold Land and Buildings	18,500,000	18,195,000

The Group has approved facility limits with the Archdiocesan Development Fund (the ADF) of $13,509,186 (2019: $7,239,617). The drawn amount as at 30 June 2020 was $6,509,186 (2019: $7,239,617) with an amount available to draw of $7,000,000 (2019: $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: LEASE LIABILITY

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Current			
Lease liability		17,333,607	-
		17,333,607	-
Non-current			
Lease liability		19,996,735	-
		19,996,735	-
Total Lease liability	(a)	37,330,342	-

(a) Reconciliation for lease liability:	
Lease committment as at 30 June 2019	9,889,245
Less operating leases not subject to AASB 16	(46,603)
Additional future lease payments for expected extention options	25,579,637
Discounting of lease commitment to arrive at lease liability	(9,419,564)
Motor vehicle finance leases transferred in	3,050,648
Right-of-use asset at initial date of application	29,053,363
Transition adjustment due to AASB 16	
Right-of-use asset at initial date of application	29,053,363
Payment of Lease liability during year	(7,916,334)
New leases taken on during year	16,548,880
Re-assessment adjustment for COVID-19 rent concessions	(514,971)
CPI increase on Right-of-use assets during year	1 59,404
Total balance 30 June 2020	37,330,342

Accounting policy

AASB 16 introduces a single lessee accounting model and requires the group, as lessee, to 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 Right-of-use (ROU) assets representing its right to use the underlying leased assets and a lease liability representing its obligations to make lease payments.

The Group recognises depreciation of the ROU 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 noncancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods when the group 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 2020 $	CONSOL 2019 $
Current			
Provision for Legal Matters	(a)	1,541,828	1,541,828
Employee entitlements-annual leave		17,054,545	15,215,767
Employee entitlements-long service leave		9,584,702	9,047,633
		28,181,075	25,805,228
Non-current			
Employee entitlements- long service leave		5,138,174	5,257,466
Make good leased premises		823,072	930,400
		5,961,246	6,187,866

(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 9 years since the claim arose, no interest has been accrued for the 2016 to 2020 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 (2019: $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 government 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 government bonds at reporting date which most closely match the terms of maturity of the related liabilities.

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, and 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 government bond 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 2020 $	CONSOL 2019 $
Current		
Grants in advance - operational	17,202,114	17,229,520
Grants in advance - capital	793,441	3,771,159
	17,995,555	21,000,679
Non-current		
Grants in advance - capital	21,916,292	22,580,264
	21,916,292	22,580,264

Accounting Policy

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

NOTE 19: RESIDENT LIABILITIES

	CONSOL 2020 $	CONSOL 2019 $
Current		
Accommodation bonds and refundable accommodation deposits	134,309,593	115,264,418
Ingoing contributions	6,062,632	6,460,762
	140,372,225	121,725,180

Accounting Policy

Accommodation bonds

An Accommodation Bond as governed by the *Aged Care Act 1997* is an amount of money payable for entry 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 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. Theservice 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.

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: EQUITY

	CONSOL 2020 $	CONSOL 2019 $
Financial asset revaluation reserve	271,795	2,005,452
Mission related reserve	9,739,241	6,129,416
Property revaluation reserve	7,110,194	7,336,527
Accumulated funds	436,742,859	421,943,783
	453,864,089	437,415,178

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 $226,333 (2019: $80,830).

NOTE 21: INTEREST IN SUBSIDIARIES

Subsidiary Entities

As of 30 June 2020, 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.

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 22: PARENT NOTE

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

	SVDP 2020 $	SVDP 2019 $
Total comprehensive income for the year	15,046,910	6,669,465
Total current assets	25,434,527	20,911,841
Total non-current assets	152,797,983	116,478,946
Total assets	**178,232,510**	**137,390,787**
Total current liabilities	20,779,714	13,594,788
Total non-current liabilities	47,017,365	25,561,500
Total liabilities	**67,797,079**	**39,156,288**
Net assets/(liabilities)	**110,435,431**	**98,234,499**
Total equity	110,435,431	98,234,499

On the 1st July 2019, Ozcare transferred its social inclusion service operations, including the associated assets and liabilities, to St Vincent De Paul Society Queensland (SVDPQ), Ozcare's sole member, for nil consideration, which resulted in the parent entity recognising a gain of $11,227,406 as detailed below.

The social inclusion services comprised homeless mens' hostels, womens' refuges and drug & alcohol services, which was provided to the community on behalf of the various government departments. The transfer of these operations was a strategic decision to enhance the charitable objectives of Ozcare and SVDPQ. As part of the transfer all titles to assets relevant to these operations were transferred or are in the process of being to SVDPQ.

The Society and Ozcare transferred the programs delivering Homelessness and Community Support from Ozcare management to Society management as of 1 July 2019. This does not affect the consolidated numbers and is reflected in the Parent note, and is as follows:

Transfer from Subsidiary	***$***
Property, plant & equipment	10,233,412
Cash	2 ,751,258
Bequests / Gifts	534,134
Employee Entitlements	(2,291,397)
	11,227,407

NOTE 22: PARENT NOTE (CONTINUED)

The introduction of the new accounting standards AASB 15, AASB 16, AASB 1058 for the year ended 30 June 2020 has seen some major impacts to the accounts. These are as follows:

	$
Rignt-of-use assets and Lease liabilities identified (AASB 16)	11,227,407

Additionally, Covid-19 impacted the parent through the JobKeeper support of $4,613,364 and rent relief from our landlords for the amount of $514,971.

NOTE 23: 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 17(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 (commenced during 2019/20) are awaited. Whilst there are no known concerns for the group, any impact is yet to be determined.

At 30 June 2020, 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 2020. Currently there are no material pre-existing or known claims against the Society or its controlled entities.

NOTE 24: COMMITMENTS

(a) Operating lease commitments payable

There are no Lease commitments of the type formally disclosed due to the implementation of AASB 16. All lease commitments and obligations are now recorded as Right-of-use assets (Note 9(b)) and Lease liabilities (Note 16).

(b) Capital commitments

	CONSOL 2020 $	CONSOL 2019 $
Capital Expenditure Commitments		
Contracted for:		
Not later than one year	8,288,785	25,805,000
Later than one year but not later than 5 years	-	-
Total capital expenditure commitments	8,288,785	25,805,000

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.

NOTE 24: COMMITMENTS (CONTINUED)

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 25: 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 2020 $	CONSOL 2018 $
Cash on hand	5	108,284	94,435
Cash at bank	5	38,537,165	37,621,667
Term deposits	5	2,374,551	3,162,276
Cash at bank - capital replacement fund	5	171,034	216,671
Balance per Statement of Cash Flows		41,191,034	41,095,049

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

	NOTE	CONSOL 2020 $	CONSOL 2019 $
Net surplus		**16,563,397**	**17,749,409**
Non-cash flows in operating surplus			
Depreciation/Amortisation	3	31,758,785	23,500,794
Net (gain) on sale of fixed assets	2, 3	(490,171)	(1,498,506)
Rent concession on Lease Liabilities	16	(514,971)	-
Bequest received in shares		(1,020,660)	(25,464)
Net fair value loss/(gain) on financial assets	2	1,684,664	(241,024)
Net loss/ (gain) on sale of financial assets at fair value through other comprehensive income		(72,927)	(848,040)
Accommodation bond retentions and exit fees		-	(144,627)
Other non-cash items		(376,933)	-
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		(2,243,581)	1,744,487
(Increase)/decrease in other assets		(330,583)	(1,192,878)
(Increase)/decrease in inventories		9,303	23,716
Increase/(decrease) in trade and other payables		1,593,614	2,533
Increase/(decrease) in provisions		2,427,147	(1,064,518)
Cash flows from operations		48,987,083	38,005,882

NOTE 26: 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 2020 $	CONSOL 2019 $
Cash and cash equivalents	5	41,191,034	41,095,049
Trade and other receivables	6	8,979,360	5,486,587
Investments at fair value through profit or loss	10(c)	16,046,208	17,800,527
Financial assets at fair value through other comprehensive income	11	131,461,743	117,946,394
		197,678,345	182,328,557

NOTE 26: 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 $283,658 (2019: $299,377). 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 2020. 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 2020: $1,631,832, 88.28% claim recovery (2019: $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 26: 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 26(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 $172,652,777 as at 30 June 2020 (2019: $142,874,554). Total financial liabilities that are charged interest at a floating rate are $6,509,186 as at 30 June 2020 (2019: $10,290,271).

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.

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

NOTE 27: EVENTS SUBSEQUENT TO REPORTING DATE

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

On 1 July 2020, Ozcare acquired the De Paul Villa Aged Care and De Paul Manor Retirement Village from the Southport Catholic Parish.

On 9 September 2020, Ozcare entered into a contractual agreement for the acquisition of two aged care facilities, a retirement village and a private hospital, which is due to settle in the 2020/21 financial year.

NOTE 28: 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	Annette Baker
Annette Baker	Professor Susan Dann	Gregory Coghlan
Dan Carroll	Peter Driver	Michael Ford
Matt Nunan	John Thomas	John Forrest
Peter Madden	Matthew Vanderbyl	Terrence Boyd
Robert Doyle		
Alister Crocker		
Garry Webb		
Dennis Innes		
John Harrison		
Lachlan Dent		
Margaret Lawton		
Phillip Cranny		
John Thomas		
DURING THE PERIOD:		
Robert Leach (ceased November 2019)	Fred Gillett (ceased November 2019)	Dennis Innes (ceased November 2019)
Matthew Vanderbyl (commenced December 2019)	Kathie Sadler (ceased November 2019)	Gary Searle (commenced November 2019)
Larry Mann (commenced February 2020)	Declan Rooney (commenced January 2020)	Jason Cubit (commenced December 2019/ ceased January 2020)
Patricia McMahon (commenced February 2020)	Glynis Schulz (commenced January 2020)	Nicholas O'Conner (commenced April 2020)
	Michael Gilmour (commenced January 2020)	Sonya Ryan (commenced April 2020)

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 28: RELATED PARTY TRANSACTIONS (CONTINUED)

Other key management personnel as at 30 June 2020 were:

ST VINCENT DE PAUL SOCIETY QUEENSLAND	OZCARE	VINNIES HOUSING
Kevin Mercer *Chief Executive Officer* Deborah Nisbet *General Manager - Finance & Business Services* Joe Duskovic *General Manager - Risk & Compliance* Jackie Youngblutt *General Manager - Programs* Kirstin Hinchliffe *General Manager - Strategy, Employment & Safety* Anthony Nowak - *General Manager - Fundraising, Marketing and Communications*	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* Russel Brighouse *Head of Community Care* Lanna Ramsey *Head of Aged Care* Sarah Chapman *Head of Brand & Communication*	Sharon Shearsmith *Chief Executive Officer*

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

	CONSOL 2020 $	CONSOL 2019 $
Remuneration including reportable fringe benefits on motor vehicles	4,035,039	4,262,021

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

RANGE	CONSOL 2020	CONSOL 2019
$0-40k	34	28
$80-160k	-	5
$160k and above	18	13

Ozcare

On the 1st July 2019, there was a transfer of 27 Social Inclusion community based programs from Ozcare to the St Vincent De Paul Society Queensland, Ozcare's sole member, including the associated assets and liabilities, for nil consideration, to allow better alignment to each organisation's core missions. This has not impacted the group but resulted in a transfer to the parent entity (refer note 22).

Transactions with Ozcare during the financial year include $669,539 of fund reimbursement for transitioned program's costs paid by Ozcare on the Society's behalf. (2019: NIL)

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 $92,328 (2019: $157,320) 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 yet to transfer all leases to Vinnies Housing.

NOTE 28: RELATED PARTY TRANSACTIONS (CONTINUED)

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 $1,320,285 (2019: $638,731) 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-Goulbourne Territory Council. It also includes receipts from St Vincent de Paul Society Northern Territory for support services provided.

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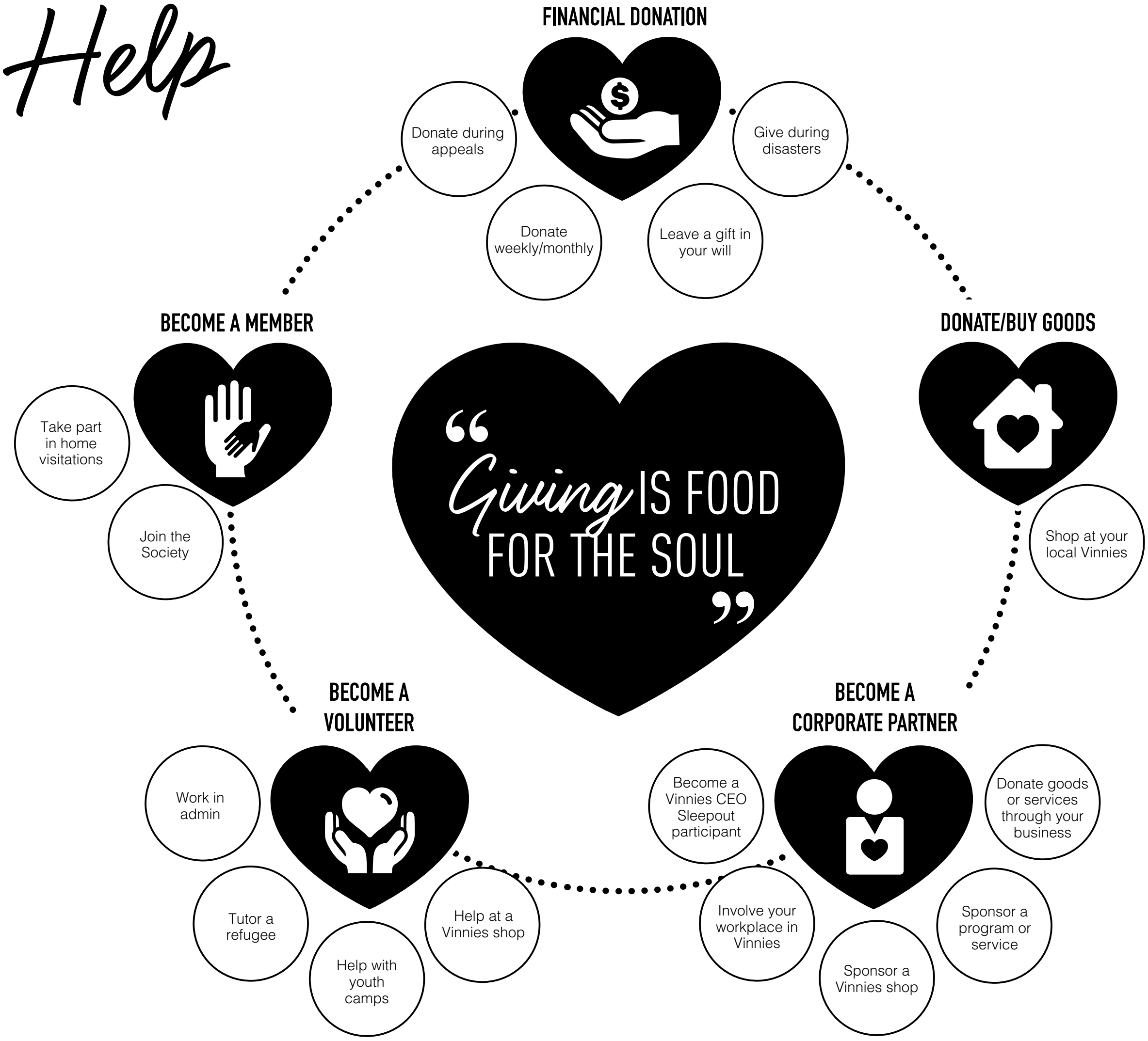
HOW YOU CAN *Help*



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

For general information visit:
vinnies.org.au

For help, to volunteer or donate
furniture/goods call:
1800 846 643

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

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ozcare.org.au

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St Vincent de Paul Society
QUEENSLAND
good works