
MERCY CENTRE AUSTRALIA LIMITED

A.B.N 57 160 325 799

FINANCIAL REPORTS

FOR THE YEAR ENDED 30 JUNE 2019

MERCY CENTRE AUSTRALIA LIMITED

A.B.N 57 160 325 799

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MERCY CENTRE AUSTRALIA LIMITED

**DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Your directors present their report on the public ancillary fund, Mercy Centre Australia Limited for the financial year ended 30 June 2019.

Directors

The names of the directors that held office at any time during the year or since the end of the financial year are:

John Golfin
Lucy Braoudakis
Usanee Janngeon

Father Joseph Maier
Prawina Sompong

Principal Activities

The principal purpose of the Company shall be to provide money, property or benefits for the relief of human poverty, sickness suffering, distress, misfortune, disability, destitution or helplessness that arouses compassion within the community in accordance with the objects of the company constitution.

Results

The net operating profit for the year ended 30 June 2019 was \$47,615 (2018: \$10,845).

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
John Golfin	4	4
Lucy Braoudakis	4	2
Usanee Janngeon	4	3
Father Joseph Maier	4	4
Prawina Sompong	4	3

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out within the annual report.

Signed in accordance with a resolution of Board of Directors.

John Golfin – Director

Lucy Braoudakis - Director

Dated: 29 January 2020

MERCY CENTRE AUSTRALIA LIMITED

**AUDITOR'S INDEPENDENCE DECLARATION TO
THE DIRECTORS OF MERCY CENTRE AUSTRALIA LIMITED**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2019 there have been:

- no contraventions of the auditor independence requirements in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Canberra



George Diamond
Partner

Date: 29 January 2020

MERCY CENTRE AUSTRALIA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue from ordinary activities	2	99,536	103,360
Contribution from Mercy Centre Australia Trust		-	-
		<u>99,536</u>	<u>103,360</u>
Expenses from ordinary activities			
Bank fees		(542)	(620)
Subscription		(99)	-
Charitable Benefits Paid		(51,280)	(91,895)
Profit/(Loss)for the year		<u>47,615</u>	<u>10,845</u>
Other comprehensive income			
Net profit/(loss) on revaluation of non-current assets		-	-
Total comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss)		<u>47,615</u>	<u>10,845</u>

The accompanying notes form part of these financial statements

MERCY CENTRE AUSTRALIA LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
Current Assets			
Cash and Cash Equivalents	3	74,383	26,768
Trade & Other Receivables		-	-
Total Current Assets		<u>74,383</u>	<u>26,768</u>
Non-Current Assets			
Property, Plant & Equipment		-	-
Total Non - Current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>74,383</u>	<u>26,768</u>
Current Liabilities			
Trade and Other Payables		-	-
Total Current Liabilities		<u>-</u>	<u>-</u>
Non Current Liabilities			
Total Liabilities		<u>-</u>	<u>-</u>
NET ASSETS		<u>74,383</u>	<u>26,768</u>
Equity			
Retained Earnings		<u>74,383</u>	<u>26,768</u>
TOTAL EQUITY		<u>74,383</u>	<u>26,768</u>

The accompanying notes form part of these financial statements

MERCY CENTRE AUSTRALIA LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings	Total Equity
Balance at 1 July 2017	15,923	15,923
Profit/(Loss) for the year	10,845	10,845
Balance at 30 June 2018	<u>26,768</u>	<u>26,768</u>
Balance at 1 July 2018	26,768	26,768
Profit/(Loss) for the year	47,615	47,615
Balance at 30 June 2019	<u>74,383</u>	<u>74,383</u>

The accompanying notes form part of these financial statements

MERCY CENTRE AUSTRALIA LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
Cash Flow from Operating Activities			
Receipts from operations		99,536	103,360
Payments to suppliers and employees		(641)	(620)
Charitable benefits paid		(51,280)	(91,895)
Interest Received		-	-
Net cash provided by (used in) operating activities	5 (b)	47,615	10,845
Cash Flow from Investing Activities			
Disposal of plant and equipment		-	-
Payment for property, plant and equipment		-	-
Net cash provided by (used in) investing activities		-	-
Net Increase/(Decrease) in Cash and cash equivalents		47,615	10,845
Cash and equivalents at beginning of financial period		26,768	15,923
Cash and equivalents at end of Financial Period	5 (a)	74,383	26,768

The accompanying notes form part of these financial statements

MERCY CENTRE AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for Mercy Centre Australia Limited as an individual entity. Mercy Centre Australia Limited is a company established and domiciled in Australia. Mercy Centre Australia Limited is a company limited by guarantee and is a deductible gift recipient.

The financial report is a special-purpose financial report that has been prepared on the basis that the entity is a non-reporting entity because there are no users who are dependent on its general purpose financial statements.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not for Profits Commission Act 2012 and the significant accounting policies disclosed below, which the Board has determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

The company is exempt from income tax under the Income Tax Assessment Act 1997 and is a deductible gift recipient.

(b) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, and on deposit.

(c) Revenue

Donations are recognised on receipt of the relevant funds and are separately disclosed in the financial statements.

Interest and other investment revenues are recognised on receipt in recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All other revenue is recognised on provision of goods and services to customers.

MERCY CENTRE AUSTRALIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2019

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) Goods and Services Tax (GST)

The company is not registered for GST purposes and all revenues, expenses and assets are recognised inclusive of the amount of GST.

(e) Receivables

Trade accounts and other receivables represent the principal amounts due at balance date, plus if applicable any unearned income.

(f) Contingent Liabilities

A contingent loss is recognised as an expense and a liability if it is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability incurred and, a reasonable estimate of the amount of the resulting loss can be made.

(g) Events after Balance Date

Assets and liabilities are adjusted for events occurring after balance date that provide evidence of conditions existing at the balance date.

No matter or circumstance has arisen since the end of the financial year which significantly affects or may affect the operation of the company the results of the year or the state of affairs of the company.

(h) Receivables

Trade and other receivables include amounts due for goods and services performed in the ordinary course of the company's business activities. Receivables are expected to be collected within 12 months and are classified as current assets

(i) Payables

Trade and other payables represent liabilities for goods or services received by the company that remain unpaid at the end of the financial year. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

MERCY CENTRE AUSTRALIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2019**

NOTE 2	REVENUE	2019	2018
		\$	\$
	Donations	99,536	103,360
	Interest Received	-	-
		<u>99,536</u>	<u>103,360</u>

NOTE 3 CASH AND CASH EQUIVALENTS

Cash at Bank - CBA Cheque Acct No 15399348	73,196	8,160
Cash at Bank - Paypal Account	1,187	18,608
	<u>74,383</u>	<u>26,768</u>

NOTE 4. RELATED PARTY TRANSACTIONS

The directors during the year ended and as at 30 June 2019 were:

John Golfin	Father Joseph Maier
Lucy Braoudakis	Prawina Sompong
Usanee Janngeon	

The directors of the company, Mercy Centre Australia Limited, have not received any remuneration from the Trust during the year in any capacity including as directors.

Key Management Personnel

Key management personnel comprise directors of the Trustee and other key persons having authority and responsibility for planning, directing and controlling the activities of the organization.

Key Management Personnel Compensation Summary

Short Term Employee Benefits	-	-
Long Term Employee Benefits	-	-
	<u>-</u>	<u>-</u>

MERCY CENTRE AUSTRALIA LIMITED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 5. CASHFLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	2019	2018
	\$	\$
Cash at Bank – cheque account	73,196	8,160
Cash at Bank – Paypal account	1,187	18,608
	<hr/>	<hr/>
Cash and Cash equivalents	74,383	26,768

(b) Reconciliation of cash flow from operations

Profit/(Loss) from operating activities	47,615	10,845
Non-cash flows in profit from ordinary activities		
Depreciation	-	-
Loss on sale of fixed assets	-	-
Changes in assets and liabilities		
(Increase)/Decrease in receivables	-	-
Increase/(Decrease) in payables	-	-
Increase/(Decrease) in provisions	-	-
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	47,615	10,845

NOTE 6: FINANCIAL RISK MANAGEMENT

(i) Financial risk management policies

The company's financial instruments consist mainly of cash and deposits at bank, trade debtors, and trade creditors. The Directors of the company meet on a regular basis to assist the meets its financial targets, whilst minimising potential adverse effects on financial performance. The total of each category of financial instruments, are detailed below:

Financial Assets

Cash and cash equivalents	74,383	26,768
Trade and Other Receivables	-	-
	<hr/>	<hr/>
	74,383	26,768

Financial Liabilities

Trade and other payables	-	-
Cash and Cash equivalents	-	-
	<hr/>	<hr/>

MERCY CENTRE AUSTRALIA LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

(iii) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing only in surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

(iv) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the trust.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counter parties), ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the executive committee has otherwise cleared as being financially sound.

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements. The company does not have any material credit risk exposure to any single debtor or group of debtors.

NOTE 14: REGISTERED OFFICE AND COMPANY DETAILS

The registered office and principal place of business of Mercy Centre Australia Limited is: 15 Roscoe Street, Bondi Beach NSW 2026

MERCY CENTRE AUSTRALIA LIMITED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2019.

NOTE 16: COMMITMENTS FOR EXPENDITURE

The company had no commitments for expenditure as at 30 June 2019.

NOTE 17: EVENTS OCCURRING AFTER THE REPORTING DATE

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

MERCY CENTRE AUSTRALIA LIMITED

DIRECTORS DECLARATION

The directors of the company declare that:

1. The Financial Statements and Notes are in accordance with the requirement of the *Australian Charities and Not-for-profits Commission* and:
 - (a) comply with Accounting Standards and the Company Constitution; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that Mercy Centre Australia Limited 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 Board of Directors of Mercy Centre Australia Limited.

John Golfin – Director

Lucy Braoudakis - Director

Dated: 29 January 2020

INDEPENDENT AUDITOR'S REVIEW REPORT
TO
MERCY CENTRE AUSTRALIA LIMITED

Report on the Financial Report

We have reviewed the accompanying financial report of Mercy Centre Australia Limited, which comprises the statement of financial position as at 30 June 2019 and the statement of comprehensive, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors declaration.

Board's Responsibility for the Financial Report

The board of the registered entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report under ACNC Act, in order to state whether, on the basis of the procedures described we have become aware of any matter that makes us believe that the financial report does not satisfy the requirements of Division 60 of the ACNC Act including:

- i. giving a true and fair view of the trust's financial position as at 30 June 2019 and its performance for the year ended on that date; and
- ii. complying with Australian Auditing Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.

ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of the financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion.

PARTNERS:

Ross Di Bartolo B.A (Accounting). FCA
George Diamond B.Ec. FCA
John Mihailaros B.Comm (Accounting). FCA
Stephen Agarwal B.Sc. M.Tax. CA

INDEPENDENT AUDITOR'S REVIEW REPORT

TO
MERCY CENTRE AUSTRALIA LIMITED

Independence

In conducting our review, we have complied with the independence requirements of Australian professional ethical pronouncements.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matters that makes us believe that the financial report of the Mercy Centre Australia Limited is not in accordance with the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 including:

- i. giving a true and fair view of the trust's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 and complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

PKF Canberra



George Diamond
Partner

Dated: 29 January 2020