



MORRISSEY HOMESTEAD INCORPORATED  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2016

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**MORRISSEY HOMESTEAD INC**

A.B.N. 59 533 831 022

**Balance Sheet  
As at 30 June 2016**

	Note	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash	1	444,374	520,304
Cash Investments	2	1,194,597	721,188
Debtors	3	39,422	20,312
Other Current Assets	4	74,642	13,761
Total Current Assets		<u>1,753,036</u>	<u>1,275,565</u>
<b>NON-CURRENT ASSETS</b>			
Plant & Equipment	5	91,161	133,901
Total Non-Current Assets		<u>91,161</u>	<u>133,901</u>
<b>TOTAL ASSETS</b>		<u><b>1,844,196</b></u>	<u><b>1,409,466</b></u>
<b>CURRENT LIABILITIES</b>			
Creditors & Accruals	6	61,607	49,841
Other Current Liabilities	7	994,558	854,537
BAS Liabilities	8	20,518	22,944
Payroll Liabilities	9	32,853	29,444
Provisions	10	80,654	70,292
Total Current Liabilities		<u>1,190,191</u>	<u>1,027,057</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	24,990	31,703
Total Non-Current Liabilities		<u>24,990</u>	<u>31,703</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,215,181</b></u>	<u><b>1,058,760</b></u>
<b>NET ASSETS</b>		<u><b>629,016</b></u>	<u><b>350,706</b></u>
<b>EQUITY</b>		<u><b>629,016</b></u>	<u><b>350,706</b></u>

The accompanying notes form part of these financial statements.

**MORRISSEY HOMESTEAD INC**

A.B.N. 59 533 831 022

**Balance Sheet  
As at 30 June 2016**

	Note	2016 \$	2015 \$
<b>NOTES TO THE BALANCE SHEET</b>			
<u>Note 1 - Cash</u>			
MHI Fundraising Account		63,940	24,746
Operating Account		20,544	8,158
Business Cash Reserve		330,416	458,881
LSL Saver		7,000	6,588
Asset Saver		20,241	20,241
Petty Cash		1,869	1,625
Cash & Floats - various		365	65
		<u>444,374</u>	<u>520,304</u>
<u>Note 2 - Investments</u>			
Term Deposits: Asset & Leave		568,000	166,000
Term Deposits: Fundraising		172,837	143,866
Term Deposits: Surplus		453,760	411,322
		<u>1,194,597</u>	<u>721,188</u>
<u>Note 3 - Debtors</u>			
Trade Debtors		34,671	16,810
Debtors Sundry		4,751	3,502
		<u>39,422</u>	<u>20,312</u>
<u>Note 4 - Other Current Assets</u>			
Prepayments		74,642	13,761
		<u>74,642</u>	<u>13,761</u>

The accompanying notes form part of these financial statements.

**MORRISSEY HOMESTEAD INC**

A.B.N. 59 533 831 022

**Balance Sheet  
As at 30 June 2016**

	Note	2016 \$	2015 \$
<u>Note 5 - Plant &amp; Equipment</u>			
Centre Equipment		75,993	61,614
Less: Acc Dep'n		(54,976)	(50,278)
Motor Vehicles		387,583	383,446
Less: Acc Dep'n		(348,366)	(314,166)
Office Equipment		55,601	55,601
Less: Acc Dep'n		(50,126)	(48,258)
Plant & Equipment		60,122	58,570
Less: Acc Dep'n		(54,320)	(47,347)
Computer Equipment		47,195	41,283
Less: Acc Dep'n		(41,283)	(40,509)
Leasehold Improvements		48,181	48,181
Less: Acc Dep'n		(34,443)	(14,236)
		<u>91,161</u>	<u>133,901</u>
		<u>1,844,196</u>	<u>1,409,466</u>
<u>Note 6 - Creditors &amp; Accruals</u>			
Trade Creditors		9,012	14,283
Accrued Expenses		52,594	35,557
		<u>61,607</u>	<u>49,841</u>
<u>Note 7 - Other Current Liabilities</u>			
GIA - HACC		809,829	759,353
GIA - NR HACC		50,018	53,216
GIA- NR Unspent HACC		32,000	-
GIA - NR Funding		101,751	41,128
GIA - Carers		960	840
		<u>994,558</u>	<u>854,537</u>

The accompanying notes form part of these financial statements.

**MORRISSEY HOMESTEAD INC**

A.B.N. 59 533 831 022

**Balance Sheet  
As at 30 June 2016**

	Note	2016 \$	2015 \$
<b><u>Note 8 - BAS Liabilities</u></b>			
GST Collected		36,795	29,216
GST Paid		(16,277)	(6,272)
		<u>20,518</u>	<u>22,944</u>
<b><u>Note 9 - Payroll Liabilities</u></b>			
Superannuation Liability		22,132	22,125
Salary Sacrificing Liability		926	-
PAYG Withholding Payable		9,795	7,319
		<u>32,853</u>	<u>29,444</u>
<b><u>Note 10 - Provisions (Current)</u></b>			
Prov for Annual Leave		41,944	48,040
Prov for Long Service Leave		38,710	22,252
		<u>80,654</u>	<u>70,292</u>
<b><u>Note 11 - Provisions (Non Current)</u></b>			
Prov for Long Service Leave		24,990	31,703
		<u>24,990</u>	<u>31,703</u>
Total Non-Current Provisions		<u>24,990</u>	<u>31,703</u>
Total Liabilities		<u>1,215,181</u>	<u>1,058,760</u>
<b>EQUITY</b>			
Retained Earnings		350,706	350,394
Current Year Earnings		278,310	312
<b>TOTAL EQUITY</b>		<u><u>629,016</u></u>	<u><u>350,706</u></u>

The accompanying notes form part of these financial statements.

**MORRISSEY HOMESTEAD INC**

A.B.N. 59 533 831 022

**Profit & Loss Statement  
For the year ended 30 June 2016**

	2016	2015
	\$	\$
<b>INCOME</b>		
<u>HACC Funding</u>		
Grants Bfwd	430,057	-
Non Recurrent Grant Bfwd HACC	-	32,913
Recurrent Funding - HACC	1,493,521	1,471,449
Unspent NR Grant	32,000	-
Non Recurrent Funding - HACC	36,577	-
Total HACC FUNDING	<u>1,992,155</u>	<u>1,504,362</u>
<u>Other Funding</u>		
Funding Bfwd	13,483	19,477
Grants Other Bfwd	840	840
Grants NR Other	51,469	10,456
Total Other Funding	<u>65,792</u>	<u>30,774</u>
Grants & Funding Carried Forward	(616,440)	(356,682)
<u>Kitchen Income</u>		
Kitchen Sales- Food	76,474	69,941
Kitchen Sales - Drinks	5,716	5,875
Total Kitchen	<u>82,190</u>	<u>75,817</u>
<u>HACC Income</u>		
Client Fees- Daycare	67,043	70,508
Client Fees - Transport	41,185	49,037
Client Fees - 3rd Party Transport	26	-
Client Fees - Transport- Other	1,094	396
Client Fees - Centre Activities	19,399	46,824
Client Fees - Social Support	9,998	3,892
Client Fees - Respite	5,451	15,674
Client Fees - Cont'n Carers WA	100	-
Client Fees - Cont'n Other	-	-
Client Fees - Excursions/Functions	7,083	6,682
HACC Fundraising	-	110
Disposal of Assets	9,500	5,058
Use of Facilities	6,111	4,256
Admin Cost Recovery	-	136
Total HACC INCOME	<u>166,990</u>	<u>202,573</u>

MORRISSEY HOMESTEAD INC

A.B.N. 59 533 831 022

Profit & Loss Statement  
For the year ended 30 June 2016

	2016 \$	2015 \$
<b><u>Morrissey Income</u></b>		
Private Clients - Daycare & Centre Act	90,748	-
Private Clients - Transport	1,169	-
Private Clients - Social Support	1,209	-
Private Clients - Respite	12,270	-
MHI Fundraising	9,833	10,893
Membership	892	885
Donations	5,375	129
Interest F/raising	20,575	20,671
Total Morrissey Income	<u>142,071</u>	<u>32,579</u>
<b><u>Interest</u></b>		
Interest Other	9,735	10,422
Total Interest	<u>9,735</u>	<u>10,422</u>
<b>TOTAL INCOME</b>	<b><u>1,842,493</u></b>	<b><u>1,499,845</u></b>
<b><u>DIRECT COSTS</u></b>		
<b><u>Direct Wages &amp; Salaries</u></b>		
Emp: Wages Direct	607,343	547,834
Emp: Allowances	15,137	16,972
Emp: Wages Recovery	-	(10,663)
Emp: Superannuation	57,872	52,883
Total Direct Wages & Salaries	<u>680,352</u>	<u>607,025</u>
<b><u>Additional Direct Wages</u></b>		
Provision - Annual Leave	(5,883)	5,229
Provision - Long Service Leave	3,960	(5,949)
Total Additional Direct Wages	<u>(1,923)</u>	<u>(720)</u>
<b><u>Other Employment Expenses</u></b>		
Workers Compensation Insurance	29,940	26,876
Total Other Employment Expenses	<u>29,940</u>	<u>26,876</u>
<b><u>Operational Costs</u></b>		
Kitchen - Consumables	8,420	6,480
Kitchen - Drinks purchases	2,506	3,358
Kitchen - Food Purchases	61,274	62,457
Centre Activities Exp	21,856	15,432
Client Consumables	-	17
Excursions & Functions	1,147	5,096
Staff Meals	3,479	3,637
Volunteer Expenses	-	165
Total Operational Costs - Morrissey	<u>98,682</u>	<u>96,642</u>



**MORRISSEY HOMESTEAD INC**

A.B.N. 59 533 831 022

**Profit & Loss Statement  
For the year ended 30 June 2016**

	2016	2015
	\$	\$
<u>Transport</u>		
MV: Depreciation	54,303	72,830
MV: Fuel & Oil	24,636	24,834
MV: Repairs & Maintenance	14,956	21,715
MV: Insurance	16,637	15,422
MV: Parking	22	-
MV: Licenses	3,808	2,922
MV: 3rd Party Transport	11	339
Total Transport	<u>114,373</u>	<u>138,061</u>
<b>TOTAL DIRECT COSTS</b>	<u><b>921,424</b></u>	<u><b>867,884</b></u>
<b>GROSS SURPLUS</b>	<u><b>921,069</b></u>	<u><b>631,961</b></u>
<u>OVERHEAD COSTS</u>		
<u>Administration Expenses</u>		
Emp: Wages & Salaries Indirect	370,216	363,634
Emp: Allowances	3,818	3,940
Emp: Wage Recoveries	(525)	-
Emp: Superannuation Expense	36,405	34,415
Provision - Annual Leave	(212)	3,641
Provision - Long Service Leave	5,787	(1,651)
Staff Recruitment	2,760	3,539
Staff Training	2,090	3,867
Administration Expenses	-	259
<u>Admin Motor Vehicle Costs</u>		
MV: Repairs & Maintenance	324	250
Total Administration Costs	<u>435,695</u>	<u>427,719</u>
<u>Accommodation Costs</u>		
Electricity	18,070	17,781
Gas	2,665	3,528
Rates	6,073	6,097
Insurance - Building	21,772	1,782
Maintenance		26,441
Cleaning	30,995	31,403
Rent	156	75
Security	2,143	3,008
Depreciation	24,106	5,938
Total Accommodation Costs	<u>105,980</u>	<u>96,053</u>

**MORRISSEY HOMESTEAD INC**

A.B.N. 59 533 831 022

**Profit & Loss Statement  
For the year ended 30 June 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b><u>Operational Costs</u></b>		
Accounting Fees	16,828	19,817
Audit Fees	11,328	11,341
Bank Charges	107	380
Bad Debts	-	124
Computer Expenses	3,690	6,760
Consulting / Legal Fees	1,096	12,813
Dep'n - Equip W/off	10,367	12,015
Equipment < \$1000	2,629	1,030
Health and Safety	2,964	2,358
Insurance - Business	17,246	13,555
Internet	1,885	1,684
Office Supplies	5,229	6,604
Postage	3,243	2,494
Photocopier	4,378	3,346
Promotions/Marketing	1,675	2,137
Repairs & Maintenance	1,166	436
Staff Amenities	2,976	1,494
Subscriptions	1,560	1,298
Sundry Expenses	64	927
Telephone	5,933	5,794
Travel & Accommodation	6,293	996
Volunteers	427	474
Total Operational Costs	<u>101,084</u>	<u>107,876</u>
<b>TOTAL OVERHEAD COSTS</b>	<u><b>642,759</b></u>	<u><b>631,648</b></u>
<b>Net Surplus</b>	<u><b>278,310</b></u>	<u><b>312</b></u>

MORRISSEY HOMESTEAD INC

A.B.N. 59 533 831 022

Statement of Cash Flows  
For the year ended 30 June 2016

	2016	2015
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Recurrent Grants	1,493,521	1,448,985
Client Contribution	321,105	286,430
Interest Received	29,061	37,912
Other Receipts	22,211	25,908
Payments to Employees (excluding leave entitlements)	(996,518)	(1,009,014)
Payments to Suppliers	(523,411)	(408,135)
<b>Net cash provided by operating activities</b>	<u>345,969</u>	<u>382,086</u>
<b>Cash Flows from Investing Activities</b>		
Non Recurrent and Capital Grants	88,046	10,456
Payments for Property, Plant and Equipment using Non Recurrent Funds	(46,036)	(26,290)
Payments for Property, Plant and Equipment using Reserve Funds	-	-
Proceeds from Disposal of Property, Plant and Equipment	9,500	-
<b>Net cash provided by / (used in) investing activities</b>	<u>51,510</u>	<u>(15,834)</u>
Net Increase in Cash Held	397,479	366,252
Cash at the Beginning of the Financial Year	1,241,492	875,240
<b>Cash as at 30 June 2016</b>	<u>1,638,971</u>	<u>1,241,492</u>
<b>A. Reconciliation of net cashflow from operations with net surplus from operating activities:</b>		
Surplus from ordinary activities	278,310	312
<b>Adjustments for:</b>		
Depreciation	88,776	84,845
Net gain on disposal of plant & equipment	(9,500)	(5,058)
<b>Change in operating assets and liabilities:</b>		
Accounts receivable and other accruals	(19,109)	24,419
Other assets	(60,881)	9,060
Accounts payable and other accruals	(75,297)	(17,256)
Provisions	3,649	1,217
Unspent funds liability	140,021	284,547
	<u>345,969</u>	<u>382,086</u>

**MORRISSEY HOMESTEAD INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Constitution and the Australian Charities and Not-for-profits Commission Act 2012. The Committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

**(a) Income Tax**

The Association is exempt from income tax by virtue of sections 50-1 and 50-45 of the Income Tax Assessment Act 1997.

**(b) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date.

Revenue from grant funding, provided under contractual arrangements is taken up on a proportionate basis net of GST, over the period to which the funding relates.

Grant funds received in advance at balance date are recognised as a liability within the balance sheet and carried forward to the next accounting period – refer Note 3 for further details.

Home and Community Care (“HACC”) non-recurrent funding for asset purchases is recorded as income in the year it is received and expended. Funds are transferred from recurrent funds in the bank to the Asset Replacement Reserve as the assets are depreciated over their useful lives and charged to the programs.

MORRISSEY HOMESTEAD INC.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) **Non Current Assets**

Asset purchases are brought to account at cost. Morrissey Homestead Inc. capitalises all asset additions greater than \$1,000 within the year incurred.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the Association commencing from the time the asset is held for use.

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Motor Vehicles	33%
Computer Equipment	33%-100%
Plant and Equipment	10%-100%
Centre Equipment	10%-100%
Office Equipment	15%-100%
Leasehold Improvements	10%-100%

(d) **Employee Benefits**

Provision is made for the liability for the employee entitlements arising from services rendered by employees to balance date.

Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amounts plus related on-costs.

Employee entitlements payable later than one year have been measured at their nominal amounts plus related on-costs multiplied by an applicable discount factor depending on the employees years of service.

Calculations for long service leave have been based on total hours worked by each employee since commencement of employment (accounting for those who have changed working hours during their employment) and a discount factor has been applied to nominal amounts as follows:

**Discount based on years of service**

5 years and over	100%
4-5 years	85%
3-4 years	75%
2-3 years	50%
1-2 years	25%

Long service leave accrues at eight and two third weeks after ten years of service.

**MORRISSEY HOMESTEAD INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Employee Benefits (continued)**

Long Service leave is classified as a non current liability until the employee reaches 7 years of service, after which any long service leave accrued becomes payable upon termination and is therefore classified as a current liability.

Contributions are made by the Association to employee superannuation funds and are allocated as an expense when incurred.

**(e) Goods & Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisitions of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

**(f) Grant Acquitted**

For the purpose of acquitting grants provided by funding bodies, the association has adopted the following policies:

Grant income is acquitted after allowing for the following costs:

- Cost including labour and on costs directly associated with a specific grant;
- Administration and other related overhead costs (after excluding costs which are abnormal both in nature and value and therefore not representative of an appropriate level of costs that would be expected to be incurred) not related to a specific grant are allocated over the relevant grants, based on a proportion of the level of each grant and related income compared to total income.

Such allocations are reduced to take into consideration the lower level administrative burden a grant is likely to produce, such as in the case of capital grants.

Representations of management and internal documentation are used in determining to which grants a cost may be directly or indirectly attributed.

**(g) Comparatives**

Where required, comparative information has been adjusted to conform with current period presentation.

## MORRISSEY HOMESTEAD INC.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### NOTE 2. FINANCIAL SUPPORT

The ongoing operation of the services provided by Morrissey Homestead Inc. in relation to Home and Community Care is dependent upon the continued receipt of funds from the Department of Health, Government of Western Australia. A funding agreement is currently in place between the Department of Health and Morrissey Homestead Inc. to 30 June 2018.

#### NOTE 3. GRANTS CARRIED FORWARD

Where grant funds are carried forward at 30 June to a subsequent financial year, a corresponding liability is recognised in the balance sheet, in relation to grant funds received in advance.

As at 30 June 2016, \$994,558 (2015: \$854,537 ) of funding has been received in advance (as represented within the business cash reserve account and term deposits included within Morrissey Homestead Inc. 30 June 2016 balance sheet).

Accordingly, a corresponding "Grant Funds Carried Forward" liability of \$994,558 has been brought to account as at 30 June 2016, recognising that these funds are to be carried forward to the subsequent financial year, and expended in accordance with grant funding requirements.

#### NOTE 4. LEASE AGREEMENT

##### *City of Bunbury*

A lease agreement has been entered into for the lease of Lot 65 (123) South Western Highway, Bunbury. The term of this lease is 1 July 2011 to 30 June 2026. The lease agreement was signed on 15 September 2011.

##### *Shire of Harvey*

Morrissey Homestead Inc. has entered into a lease agreement with the Shire of Harvey to occupy Lot 42 Clifton Close, Australind with the term of the lease being 1 December 2007 to 30 November 2022.

#### NOTE 5. CAPITAL COMMITMENTS

As at 30 June 20216, Morrissey Homestead Inc had committed to the following capital purchases:

- An agreement to purchase two solar air conditioners at a cost of \$7,165 including GST; and
- An agreement to purchase a White Efficiency Combi Oven at a total cost of \$24,611.27 including GST.

#### NOTE 6. CHANGE IN ACCOUNTING POLICY

HACC Funded Assets Policy requires that once an asset is purchased from HACC Funding, the Association will fund any replacement assets. Morrissey Homestead Inc. previously depreciated assets against the funding received for it which resulted in monies from program funds not being transferred to the Asset Replacement Revenue.

As a result, effective 1 July 2015, Morrissey Homestead Inc has changed its accounting policy to record non-recurrent funding for asset purchases in the year it is received and expended with depreciation charged to the programs to enable the transfer of funds to the Asset Replacement Reserve.

**MORRISSEY HOMESTEAD INC.**

**STATEMENT BY MEMBERS OF THE BOARD**

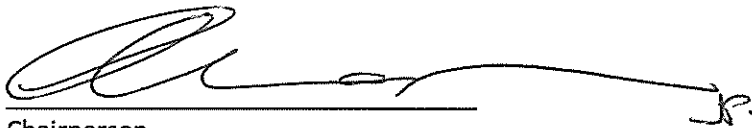
The Board have determined that the association is not a reporting entity.

The Board have determined that this special purpose financial report should be prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the attached financial statements:

1. Presents fairly the financial position of Morrissey Homestead Inc. as at 30 June 2016 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that of Morrissey Homestead Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



Chairperson

Dated this <sup>September</sup> 19<sup>th</sup> day of August 2016





**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE BOARD OF MORRISSEY HOMESTEAD INC.**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2016, there have been no contraventions of:

- i) The auditor independence requirements as set out in Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii) Any applicable code of professional conduct in relation to the audit.

**AMD Chartered Accountants**

A handwritten signature in black ink, appearing to read 'M Cavallo', with a horizontal line underneath.

**MARIA CAVALLO**  
Director

Bunbury, WA

Dated this 19<sup>th</sup> day of September 2016