

MORRISSEY HOMESTEAD INC.

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2014**



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MORRISSEY HOMESTEAD INC

ABN: 59 533 831 022

BALANCE SHEET

As at 30 June 2014

	Note No.	2014 \$	2013 \$
Current Assets			
Cash	1	430,398	402,421
Cash Investments	2	444,842	467,987
Debtors	3	44,731	26,022
Other Current Assets	4	22,821	26,549
Total Current Assets		<u>942,792</u>	<u>922,979</u>
Non-Current Assets			
Plant & Equipment	5	193,337	190,521
Total Non-Current Assets		<u>193,337</u>	<u>190,521</u>
Total Assets		<u>1,136,129</u>	<u>1,113,500</u>
Current Liabilities			
Creditors & Accruals	6	64,231	24,119
Other Current Liabilities	7	569,990	598,362
BAS Liabilities	8	19,827	16,874
Payroll Liabilities	9	30,963	34,713
Provisions	10	64,550	79,729
Total Current Liabilities		<u>749,561</u>	<u>753,797</u>
Non-Current Liabilities			
Provisions	11	36,174	9,467
Total Non-Current Liabilities		<u>36,174</u>	<u>9,467</u>
Total Liabilities		<u>785,735</u>	<u>763,264</u>
Net Assets		<u>350,394</u>	<u>350,236</u>
Equity		<u>350,394</u>	<u>350,236</u>

The accompanying notes form part of these financial statements.

MORRISSEY HOMESTEAD INC

ABN: 59 533 831 022

NOTES TO THE BALANCE SHEET

As at 30 June 2014

Note 1 - Cash

MHI Fundraising Account	25,361	13,567
Operating Account	15,032	12,814
Business Cash Reserve	384,251	374,305
P/cash	1,822	1,670
Cash & Floats - various	459	65
Undeposited Funds	3,473	-
	<u>430,398</u>	<u>402,421</u>

Note 2 - Investments

Term Deposits: Asset & Leave	266,860	261,613
Term Deposits: Fundraising	136,497	133,814
Term Deposits: Funding	27,619	72,560
Term Deposit - NR	13,866	-
	<u>444,842</u>	<u>467,987</u>

Note 3 - Debtors

Trade Debtors	34,410	22,643
Debtors Sundry	10,321	3,379
	<u>44,731</u>	<u>26,022</u>

Note 4 - Other Current Assets

Prepayments	22,821	26,549
	<u>22,821</u>	<u>26,549</u>

Note 5 - Plant & Equipment

Centre Equipment	56,933	45,468
Less: Acc Dep'n	(47,139)	(44,799)
Motor Vehicles	382,265	305,917
Less: Acc Dep'n	(246,393)	(146,483)
Office Equipment	55,601	47,034
Less: Acc Dep'n	(46,402)	(45,752)
Plant & Equipment	58,570	58,570
Less: Acc Dep'n	(39,619)	(31,889)
Computer Equipment	41,283	38,695
Less: Acc Dep'n	(38,325)	(36,240)
Leashold Improvements	27,754	-
Less: Acc Dep'n	(11,191)	-
	<u>193,337</u>	<u>190,521</u>

Total Assets	1,136,129	1,113,500
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The accompanying notes form part of these financial statements.

MORRISSEY HOMESTEAD INC

ABN: 59 533 831 022

NOTES TO THE BALANCE SHEET

As at 30 June 2014

Note 6 - Creditors & Accruals

Trade Creditors	26,514	10,183
Accrued Expenses	37,717	13,936
	<u>64,231</u>	<u>24,119</u>

Note 7 - Other Current Liabilities

GIA - HACC	411,323	434,220
GIA - NR HACC	103,412	115,015
GIA - NR Other	13,710	-
GIA - NR Funding	14,336	49,128
CFWD Fundraising	27,209	
	<u>569,990</u>	<u>598,362</u>

Note 8 - BAS Liabilities

GST Collected	29,200	25,571
GST Paid	(9,373)	(8,697)
	<u>19,827</u>	<u>16,874</u>

Note 9 - Payroll Liabilities

Superannuation Liability	23,496	17,501
Salary Sacrificing Liability	-	10,196
PAYG Withholding Payable	7,467	7,016
	<u>30,963</u>	<u>34,713</u>

Note 10 - Provisions (Current)

Prov for Annual Leave	39,169	40,463
Prov for Long Service Leave	25,381	39,267
	<u>64,550</u>	<u>79,729</u>

Note 11 - Provisions (Non Current)

Prov for Long Service Leave	36,174	9,467
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Total Non-Current Provisions

	<u>36,174</u>	<u>9,467</u>
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Total Liabilities

	<u>785,735</u>	<u>763,264</u>
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Net Assets

	<u>350,394</u>	<u>350,236</u>
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Equity

Retained Earnings	350,236	350,236
Current Year Earnings	158	-
Reserve - Future Projects		-

Total Equity

	<u>350,394</u>	<u>350,236</u>
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The accompanying notes form part of these financial statements.

MORRISSEY HOMESTEAD INC

A.B.N. 59 533 831 022

PROFIT AND LOSS STATEMENT

July 2013 through June 2014

	2014	2013
	\$	\$
<u>INCOME</u>		
<i>HACC Funding</i>		
Recurrent Funding Bfwd HACC	-	147,058
Non Recurrent Grant Bfwd HACC	9,226	6,826
Recurrent Funding - HACC	1,421,691	1,350,259
Non Recurrent Funding - HACC	30,076	71,834
Total HACC FUNDING	<u>1,460,993</u>	<u>1,575,977</u>
<i>Other Funding</i>		
Funding Bfwd	35,644	32,970
Grants NR SWDC	-	-
Grants Lotteries West	-	-
Grants NR Other	15,573	1,809
Total Other Funding	<u>51,217</u>	<u>34,779</u>
Grants & Funding Carried Forward	(395,332)	(524,198)
<i>Kitchen Income</i>		
Kitchen Sales- Food	65,325	67,048
Kitchen Sales - Drinks	5,799	3,961
Total Kitchen	<u>71,124</u>	<u>71,009</u>
<i>HACC Income</i>		
HACC Fees	64,497	57,321
Client Fees - Transport	44,621	42,351
Client Fees - 3rd Party Transport	6	10
Client Fees - Transport- Other	724	732
Client Fees - Centre Activities	38,896	32,271
Client Fees - Social Support	3,871	5,865
Client Fees - Respite	8,260	2,463
Client Fees - Cont'n Carers WA	210	840
Client Fees - Cont'n Other	-	400
Client Fees - Excursions/Functions	2,022	5,052
HACC Fundraising	155	845
Sale of Assets	31,363	10,150
Use of LDC Facilities	2,504	1,730
Use of MDC Facilities	3,328	1,789
Total HACC INCOME	<u>200,457</u>	<u>161,819</u>
<i>Morrissey Income</i>		
MHI Fundraising	13,720	12,537
Membership	833	1,298
Donations	223	883
Interest F/raising	4,613	5,921
Total Morrissey Income	<u>19,389</u>	<u>20,638</u>
<i>Interest</i>		
Interest Other	28,647	28,949
Total Interest	<u>28,647</u>	<u>28,949</u>
TOTAL INCOME	1,436,495	1,368,973

The accompanying notes form part of these financial statements.

MORRISSEY HOMESTEAD INC

A.B.N. 59 533 831 022

PROFIT AND LOSS STATEMENT

July 2013 through June 2014

	2014	2013
	\$	\$
<u>DIRECT COSTS</u>		
<u>Direct Wages & Salaries</u>		
Emp: Wages Direct	517,009	601,722
Emp: Wages Relief Staff		
Emp: Allowances	13,803	10,405
Emp: Wages Recovery	(4,104)	
Emp: Superannuation	48,649	52,949
Total Direct Wages & Salaries	<u>575,357</u>	<u>665,075</u>
<u>Additional Direct Wages</u>		
Provision - Annual Leave	1,268	(2,305)
Provision - Long Service Leave	8,382	11,664
Total Additional Direct Wages	<u>9,650</u>	<u>9,359</u>
<u>Other Employment Expenses</u>		
Staff Amenities	325	892
Staff Recruitment	-	185
Staff Training	6,380	1,793
Workers Compensation Insurance	29,939	34,638
Total Other Employment Expenses	<u>36,644</u>	<u>37,508</u>
<u>OPERATIONAL COSTS</u>		
Kitchen - Consumables	5,950	6,505
Kitchen - Drinks purchases	3,235	2,323
Kitchen - Food Purchases	56,270	56,078
Centre Activities Exp	14,267	8,067
Client Consumables	-	14
Excursions & Functions	-	8,132
Staff Meals	3,112	2,988
Total Operational Costs - Morrissey	<u>82,834</u>	<u>84,107</u>
<u>Operational Costs - SS</u>		
Volunteer Expenses	421	-
Carers SS	655	939
<u>Transport</u>		
MV: Depreciation	99,902	75,212
MV: Fuel & Oil	25,007	22,800
MV: Repairs & Maintenance	11,630	16,601
MV: Insurance	18,394	27,829
MV: Parking	24	28
MV: Licenses	3,018	3,308
MV: 3rd Party Transport	84	284
MV: HACC replacement	-	-
Total Transport	<u>159,135</u>	<u>147,000</u>
<u>TOTAL DIRECT COSTS</u>	<u>863,620</u>	<u>943,049</u>
Gross Surplus	<u>572,875</u>	<u>425,925</u>

The accompanying notes form part of these financial statements.

MORRISSEY HOMESTEAD INC

A.B.N. 59 533 831 022

PROFIT AND LOSS STATEMENT

July 2013 through June 2014

	2014	2013
	\$	\$
<u>OVERHEAD COSTS</u>		
<u>Administration Expenses</u>		
Emp: Wages & Salaries Indirect	288,315	202,928
Emp: Allowances	3,328	2,727
Emp: Travel Costs		
Emp: Relief Staff		
Emp: Wage Recoveries	-	(20,560)
Emp: Superannuation Expense	30,645	18,264
Provision - Annual Leave	(2,561)	(3,695)
Provision - Long Service Leave	4,440	5,802
Workers Compensation	6,020	17,285
Staff Recruitment	3,644	208
Staff Training	4,403	5,398
Administration Expenses	59	411
<u>Admin Motor Vehicle Costs</u>		
MV: Fuel & Oil	-	-
MV: Repairs & Maintenance	-	48
MV: Parking	19	-
MV: Insurance	-	-
Total Administration Costs	<u>338,312</u>	<u>228,817</u>
<u>Accommodation Costs</u>		
Electricity	19,519	20,579
Gas	3,557	1,674
Rates	4,524	3,494
Insurance - Building	1,806	1,706
Maintenance	29,932	26,314
Maintenance - Extensions	-	-
Cleaning	28,871	31,930
Rent	379	-
Parking	-	-
Security	2,284	3,795
Depreciation	16,215	6,564
Total Accommodation Costs	<u>107,087</u>	<u>96,055</u>

The accompanying notes form part of these financial statements.

MORRISSEY HOMESTEAD INC

A.B.N. 59 533 831 022

PROFIT AND LOSS STATEMENT

July 2013 through June 2014

	2014	2013
	\$	\$
<i>Operational Costs</i>		
Accounting Fees	24,745	18,929
Audit Fees	10,163	11,370
Bank Charges	315	515
Bad Debts	902	626
Computer Expenses	8,129	11,058
Consulting / Legal Fees	22,900	5,735
Dep'n - Equip W/off	7,788	3,532
Equipment < \$1000	2,785	3,071
Fundraising Expense	105	48
Health and Safety	4,546	413
Insurance - Business	14,217	14,988
Internet	1,679	2,050
Membership		
Office Supplies	4,878	6,810
Postage	2,703	2,332
Photocopier	3,628	3,249
Promotions/Marketing	6,566	4,488
Repairs & Maintenance	340	392
Staff Amenities	2,674	1,443
Subscriptions	1,093	1,272
Sundry Expenses	204	18
Telephone	6,792	6,947
Travel & Accommodation	41	687
Volunteers	125	1,079
Total Operational Costs	<u>127,318</u>	<u>101,053</u>
Total Overhead Costs	572,717	425,925
Operating Surplus	<u>158</u>	<u>0</u>
Net Surplus	<u>158</u>	<u>0</u>

The accompanying notes form part of these financial statements.

MORRISSEY HOMESTEAD INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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 Associations Incorporations Act of Western Australia 1987. 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.

(c) Non Current Assets

In prior years up to and including the financial year ended 30 June 2010, purchases of capital items were expensed within the profit and loss statement.

To comply with unit cost guidelines from 1 July 2010 Morrissey Homestead Inc. capitalises all asset additions at cost 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.

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	33%
Computer Equipment	33%
Furniture Equipment	15% – 21%

MORRISSEY HOMESTEAD INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 hours worked during their employment) and a discount factor has been applied to nominal amounts as follows:

Discount based on years of service

<u>Years of service</u>	<u>Discount rate</u>
5 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.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses 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 Acquired

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.

MORRISSEY HOMESTEAD INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Grant Acquitted (continued)

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.

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 2016.

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 2014, \$569,990 (2013: \$598,362) 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 2014 balance sheet).

Accordingly, a corresponding "Grant Funds Carried Forward" liability of \$569,990 has been brought to account as at 30 June 2014, 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.

MORRISSEY HOMESTEAD INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 5 CAPITAL AND CONSULTANCY COMMITMENTS

A contract with Fencing Unlimited was entered into dated 12 May 2014 for the supply and installation of a fence around the Morrissey Homestead Inc. precinct. The total committed cost of the contract is \$18,383 including GST and will be paid on completion of the fence.

A contract was entered into with Sotica Enabling Contributions dated 21 March 2014 in respect to strategic planning and feasibility studies relating to Morrissey Homestead Inc future operations. ("Proposed plan of Acts: Strategically Responding to the impact of Sector reforms at Morrissey Homestead Inc.") The total cost of the contract is \$29,200 with a remaining \$8,030 to be paid subsequent to balance date.

NOTE 7 INTERNAL TRANSFER OF ASSET

An internal purchase of a car previously owned by the HACC program (as run by Morrissey Homestead Inc.) by Morrissey Homestead Inc. administration program occurred on 01 July 2013 for \$24,545.

Given assets acquired by Morrissey Homestead Inc. were previously expenses up to 30 June 2010 as per note 1(c), this asset has been capitalised within motor vehicles and the corresponding revenue allocated to HACC unspent funds carried forward.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MORRISSEY HOMESTEAD INC.**

We have audited the accompanying financial report, being a special purpose financial report, of Morrissey Homestead Inc., which comprises the balance sheet as at 30 June 2014, the profit and loss statement and notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the Board on the annual statements giving a true and fair view of the financial position and performance of the association.

Board's Responsibility for the Financial Report

The Board of Morrissey Homestead Inc. is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act (Western Australia) 1987 and is appropriate to meet the needs of the members. The Board's responsibilities also includes such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Chartered
Accountants**

Independent Member of
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Independence

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

Qualification

As is common for organisations of this type, it is not practicable for Morrissey Homestead Inc. to maintain an effective system of internal control over client fees, kitchen sales, donations and other fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to income was limited to amounts recorded in the financial records.

Qualified Opinion

In our opinion, except for the effect of such adjustments if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report of Morrissey Homestead Inc. presents fairly, in all material respects the financial position of Morrissey Homestead Inc., as at 30 June 2014 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporation Act (Western Australia) 1987.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Morrissey Homestead Inc to meet the requirements of the Associations Incorporation Act (Western Australia) 1987. As a result the financial report may not be suitable for another purpose.

AMD Chartered Accountants



MARIA CAVALLO
Partner

Bunbury, Western Australia

Dated this 26th day of August 2014