



MORRISSEY HOMESTEAD INCORPORATED
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

Index

BALANCE SHEET

PROFIT AND LOSS STATEMENT

NOTES TO AND FORMING PARTS OF THE ACCOUNTS

STATEMENT BY MEMBERS OF THE BOARD

INDEPENDENT AUDITOR'S REPORT

MORRISSEY HOMESTEAD INC

A.B.N. 59 533 831 022

**Balance Sheet
As at 30 June 2015**

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash	1	520,304	430,398
Cash Investments	2	721,188	444,843
Debtors	3	20,312	44,731
Other Current Assets	4	13,761	22,821
Total Current Assets		<u>1,275,565</u>	<u>942,792</u>
NON-CURRENT ASSETS			
Plant & Equipment	5	133,901	193,336
Total Non-Current Assets		<u>133,901</u>	<u>193,336</u>
TOTAL ASSETS		<u>1,409,466</u>	<u>1,136,127</u>
CURRENT LIABILITIES			
Creditors & Accruals	6	49,841	64,230
Other Current Liabilites	7	854,537	569,990
BAS Liabilities	8	22,944	19,827
Payroll Liabilities	9	29,444	30,963
Provisions	10	70,292	54,196
Total Current Liabilities		<u>1,027,057</u>	<u>739,206</u>
NON-CURRENT LIABILITIES			
Provisions	11	31,703	46,528
Total Non-Current Liabilites		<u>31,703</u>	<u>46,528</u>
TOTAL LIABILITIES		<u>1,058,760</u>	<u>785,734</u>
NET ASSETS		<u>350,706</u>	<u>350,394</u>
EQUITY		<u>350,706</u>	<u>350,394</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 2015**

	Note	2015 \$	2014 \$
NOTES TO THE BALANCE SHEET			
Note 1 - Cash			
MHI Fundraising Account		24,746	25,361
Society Chq Ac			
Operating Account		8,158	18,505
Business Bonus			
Business Cash Reserve		458,881	384,251
Petty Cash / Debit			
LSL Saver		6,588	-
Asset Saver		20,241	-
P/cash		1,625	2,216
Cash & Floats - various		65	65
		<u>520,304</u>	<u>430,398</u>
Note 2 - Investments			
Term Deposits: Asset & Leave		166,000	266,860
Term Deposits: Fundraising		143,866	136,497
Term Deposits: Funding		-	41,486
Term Deposits: Surplus		411,322	-
		<u>721,188</u>	<u>444,843</u>
Note 3 - Debtors			
Trade Debtors		16,810	34,410
Debtors Sundry		3,502	10,321
		<u>20,312</u>	<u>44,731</u>
Note 4 - Other Current Assets			
Prepayments		13,761	22,821
		<u>13,761</u>	<u>22,821</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 2015**

	Note	2015 \$	2014 \$
Note 5 - Plant & Equipment			
Centre Equipment		61,614	56,933
Less: Acc Dep'n		(50,278)	(47,139)
Motor Vehicles		383,446	382,265
Less: Acc Dep'n		(314,166)	(246,393)
Office Equipment		55,601	55,601
Less: Acc Dep'n		(48,258)	(46,402)
Plant & Equipment		58,570	58,570
Less: Acc Dep'n		(47,347)	(39,619)
Computer Equipment		41,283	41,283
Less: Acc Dep'n		(40,509)	(38,325)
Leasehold Improvements		48,181	27,754
Less: Acc Dep'n		(14,236)	(11,191)
		<u>133,901</u>	<u>193,336</u>
		<u>1,409,466</u>	<u>1,136,127</u>
Note 6 - Creditors & Accruals			
Trade Creditors		14,283	26,514
Accrued Expenses		35,557	37,715
		<u>49,841</u>	<u>64,230</u>
Note 7 - Other Current Liabilities			
GIA - HACC		759,353	411,323
GIA - NR HACC		53,216	103,412
GIA - NR SWDC		-	-
GIA - NR Other		-	13,710
GIA - City of Bunbury		-	-
GIA - NR Funding		41,128	41,545
GIA - Carers		840	-
		<u>854,537</u>	<u>569,990</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 2015**

	Note	2015 \$	2014 \$
Note 8 - BAS Liabilities			
GST Collected		29,216	29,200
GST Paid		(6,272)	(9,373)
		<u>22,944</u>	<u>19,827</u>
Note 9 - Payroll Liabilities			
Superannuation Liability		22,125	23,496
Salary Sacrificing Liability		-	-
PAYG Withholding Payable		7,319	7,467
		<u>29,444</u>	<u>30,963</u>
Note 10 - Provisions (Current)			
Prov for Annual Leave		48,040	39,169
Prov for Long Service Leave		22,252	15,027
		<u>70,292</u>	<u>54,196</u>
Note 11 - Provisions (Non Current)			
Prov for Long Service Leave		31,703	46,528
		<u>31,703</u>	<u>46,528</u>
Total Non-Current Provisions		<u>31,703</u>	<u>46,528</u>
Total Liabilities		<u><u>1,058,760</u></u>	<u><u>785,734</u></u>
EQUITY			
Retained Earnings		350,394	350,236
Current Year Earnings		312	158
Reserve - Future Projects		-	-
		<u>350,706</u>	<u>350,394</u>
TOTAL EQUITY		<u><u>350,706</u></u>	<u><u>350,394</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 2015**

	2015	2014
	\$	\$
INCOME		
HACC Funding		
Non Recurrent Grant Bfwd HACC	32,913	9,226
Recurrent Funding - HACC	1,471,449	1,421,691
Total HACC FUNDING	<u>1,504,362</u>	<u>1,430,917</u>
Other Funding		
Funding Bfwd	19,477	35,644
Grants Other Bfwd	840	-
Grants NR HACC	-	30,076
Grants NR Other	10,456	15,573
Total Other Funding	<u>30,774</u>	<u>81,293</u>
Grants & Funding Carried Forward	(356,682)	(395,332)
Kitchen Income		
Kitchen Sales- Food	69,941	65,325
Kitchen Sales - Drinks	5,875	5,799
Total Kitchen	<u>75,817</u>	<u>71,124</u>
HACC Income		
HACC Fees	70,508	64,496
Client Fees - Transport	49,037	44,621
Client Fees - 3rd Party Transport	-	6
Client Fees - Transport- Other	396	724
Client Fees - Centre Activities	46,824	38,896
Client Fees - Social Support	3,892	3,871
Client Fees - Respite	15,674	8,470
Client Fees - Excursions/Functions	6,682	2,022
HACC Fundraising	110	155
Disposal of Assets	5,058	31,363
Use of Facilities	4,256	5,833
Admin Cost Recovery	136	-
Total HACC Income	<u>202,573</u>	<u>200,457</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 2015**

	2015	2014
	\$	\$
Morrissey Income		
MHI Fundraising	10,893	13,720
Membership	885	833
Donations	129	223
Interest F/raising	20,671	27,090
Total Morrissey Income	<u>32,579</u>	<u>41,866</u>
Interest		
Interest Other	10,422	6,170
Total Interest	<u>10,422</u>	<u>6,170</u>
TOTAL INCOME	<u><u>1,499,845</u></u>	<u><u>1,436,494</u></u>
DIRECT COSTS		
Direct Wages & Salaries		
Emp: Wages Direct	547,834	517,009
Emp: Allowances	16,972	13,803
Emp: Wages Recovery	(10,663)	(4,104)
Emp: Superannuation	52,883	48,649
Total Direct Wages & Salaries	<u>607,025</u>	<u>575,357</u>
Additional Direct Wages		
Provision - Annual Leave	5,229	1,268
Provision - Long Service Leave	(5,949)	8,382
Total Additional Direct Wages	<u>(720)</u>	<u>9,649</u>
Other Employment Expenses		
Staff Amenities	-	325
Staff Training	-	6,381
Workers Compensation Insurance	26,876	29,939
Total Other Employment Expenses	<u>26,876</u>	<u>36,646</u>
OPERATIONAL COSTS		
Kitchen - Consumables	6,480	5,950
Kitchen - Drinks purchases	3,358	3,235
Kitchen - Food Purchases	62,457	56,270
Centre Activities Exp	15,432	14,267
Client Consumables	17	-
Excursions & Functions	5,096	-
Staff Meals	3,637	3,112
Volunteer Expenses	165	422
Carers SS	-	655
Total Operational Costs - Morrissey	<u>96,642</u>	<u>83,911</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 2015**

	2015	2014
	\$	\$
Transport		
MV: Depreciation	72,830	99,902
MV: Fuel & Oil	24,834	25,007
MV: Repairs & Maintenance	21,715	11,630
MV: Insurance	15,422	18,394
MV: Parking	-	24
MV: Licenses	2,922	3,018
MV: 3rd Party Transport	339	84
Total Transport	<u>138,061</u>	<u>158,059</u>
TOTAL DIRECT COSTS	<u>867,884</u>	<u>863,621</u>
Gross Surplus	<u>631,961</u>	<u>572,873</u>
OVERHEAD COSTS		
Administration Expenses		
Emp: Wages & Salaries Indirect	363,634	288,315
Emp: Allowances	3,940	3,328
Emp: Superannuation Expense	34,415	30,645
Provision - Annual Leave	3,641	(2,561)
Provision - Long Service Leave	(1,651)	4,440
Administration Expenses		
Staff Recruitment	3,539	3,644
Staff Training	3,867	4,403
Administration Expenses	259	59
Admin Motor Vehicle Costs		
MV: Repairs & Maintenance	250	-
MV: Parking	-	19
Total Administration Costs	<u>427,719</u>	<u>338,313</u>
Accommodation Costs		
Electricity	17,781	19,519
Gas	3,528	3,557
Rates	6,097	4,524
Insurance - Building	1,782	1,806
Maintenance	26,441	29,932
Maintenance - Extensions		
Cleaning	31,403	28,871
Rent	75	379
Security	3,008	2,284
Depreciation	5,938	16,215
Total Accommodation Costs	<u>96,053</u>	<u>107,087</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 2015**

	2015	2014
	\$	\$
Operational Costs		
Accounting Fees	19,817	24,745
Audit Fees	11,341	10,163
Bank Charges	380	315
Bad Debts	124	902
Computer Expenses	6,760	8,129
Consulting / Legal Fees	12,813	22,900
Dep'n - Equip W/off	12,015	7,788
Equipment < \$1000	1,030	2,785
Fundraising Expense	-	105
Health and Safety	2,358	4,546
Insurance - Business	13,555	14,217
Internet	1,684	1,679
Membership		
Office Supplies	6,604	4,878
Postage	2,494	2,703
Photocopier	3,346	3,628
Promotions/Marketing	2,137	6,566
Repairs & Maintenance	436	340
Staff Amenities	1,494	2,674
Subscriptions	1,298	1,093
Sundry Expenses	927	200
Telephone	5,794	6,792
Travel & Accommodation	996	41
Volunteers	474	125
Total Operational Costs	<u>107,876</u>	<u>127,314</u>
Total Overhead Costs	<u>631,648</u>	<u>572,715</u>
Net Surplus	<u>312</u>	<u>158</u>

The accompanying notes form part of these financial statements.

MORRISSEY HOMESTEAD INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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.

MORRISSEY HOMESTEAD INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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%

(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 2015**

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 2015**

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 2015, \$854,537 (2014: \$569,990) 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 2015 balance sheet).

Accordingly, a corresponding "Grant Funds Carried Forward" liability of \$854,537 has been brought to account as at 30 June 2015, 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.

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 accruals basis of accounting, outlined in Note 1 to the financial report.

In the opinion of the Board the attached financial statement:

1. Presents fairly the financial position of Morrissey Homestead Inc. as at 30 June 2015 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 day of August 2015

**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 2015, the profit and loss statement for the year then ended, 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.

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 fundraising 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 2015 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 day of August 2015