

ST MARY'S HOUSE OF WELCOME
ABN 54 050 278 754

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

AUDIT COPY

St Mary's House of Welcome

ABN 54 050 278 754

30 June 2017

CONTENTS

	<u>Page</u>
Financial Statements	
Directors' Report	1
Auditors Independence Declaration under S 60-40 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>	5
Statement of Profit or Loss and other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	21
Independent Audit Report	22

St Mary's House of Welcome

ABN 54 050 278 754

Directors' Report

30 June 2017

Your directors present this report on the entity for the financial year ended 30 June 2017.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Sam BIONDO	Resigned 23/11/2016
Paul BRIDGEFORD	Resigned 23/11/2016
Amelia DIXON	
Simon ESPOSITO	
Luke Michael FITZGERALD	
Ralph HAMPSON	
Michael Morrison KEE	
Mark James LAFFERTY	
Debra Mc CARTHY	
Bridget ORGAN	
Liz BISHOP	Appointed 26/9/2016

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company during the financial year was the provision of assistance and support to those in need through homelessness, substance addiction, poverty and social marginalisation and/or psychiatric disability. The services provided are dependent on grants from the Victorian Department of Health and Human Services, the commonwealth's Department of Health and Ageing and Social Security. The company continues to rely on the general public and philanthropic foundations for support in order to maintain service levels.

Short-term and Long-term Objectives

The company's short-term and long-term objectives are to:

- Deepen and sustain the foundational values and mission of the Daughters of Charity of St Vincent de Paul to support members of the community who are severely marginalised through poverty, disability and homelessness.
- Maintain and strengthen services and direct material aid to members of the community who are severely marginalised through poverty, disability and homelessness.
- Continue to develop additional funding streams and philanthropic support to complement existing service and strengthen support to members of the community who are severely marginalised through poverty, disability and homelessness.

Strategies

To achieve these objectives, the company has adopted the following strategies:

- Maintain close working relationship with the company's founder to ensure that the company's mission to relieve and support those in poverty is at the foremost to the company's operation.
- Participate and respond to the direction of government in the future implementation of the National Disability Insurance Scheme to ensure that the company can provide support to members of the community who are marginalised by poverty, disability and homelessness.
- Implement a broader community awareness campaign to foster community education and support for members of the homeless community who are marginalised by poverty, disability and homelessness.

St Mary's House of Welcome

ABN 54 050 278 754

Directors' Report

30 June 2017

Key Performance Measures

The company measures its own performance through the use of quantitative and qualitative benchmarks. The benchmarks are used by directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

- **Clients** – Increased satisfaction rating by members of the community who use the services of the company.
- **Staff and volunteers** – maintenance of continual professional development and training for staff (paid and non-paid).
- **Operational and financial** – continued support of company's founders and expanded collaboration with service partners.

Information on Directors

Amelia DIXON

- Director
- Qualifications — Bachelor of Business and Marketing
Advanced Diploma Business and Public Relations
- Experience — Marketing and Communications Consultant at The Think Partnership,
Co-Founder of Third Party Fundraising
Chair of Fundraising Committee of Fitzroy Learning Network
- Special Responsibilities — Convenor of Marketing and Communications Working Group

Simon ESPOSITO

- Director
- Qualifications — Bachelor of Commerce, Bachelor of Arts, Chartered Financial Analyst
- Experience — Senior positions in internal finance
Director – Project Finance at National Australia Bank
Senior Manager – REST Super
- Special Responsibilities — Member of Strategic Planning and Service Committee
Member of Finance Committee. Member Marketing and
Communications Working Group

Elizabeth Bishop

- Director
- Qualifications — Advanced Diploma in Group Facilitation; Not-For-Profit Management
(SPNM) Short Course Harvard University Boston USA, Williamson
Community Leadership Program, Certificate in Association
Management(Monash); Diploma Business (RMIT); Mental Retardation
Nursing Cert.
- Experience — Extensive experience in welfare sector, especially disability services
Deputy CEO Melbourne City Mission
- Special Responsibilities — Member of NDIS Working Group

St Mary's House of Welcome

ABN 54 050 278 754

Directors' Report

30 June 2017

Information on Directors continued

Luke FITZGERALD

- Director
- Qualifications — B.A., LL.B., M.B.A (Executive)
- Experience — Corporate management, legal services, media, telecommunications and sustainability
- Special Responsibilities — Chair of Board
Chair of Governance and Management Committee. Member Marketing and Communications Working Group

Ralph HAMPSON

- Director
- Qualifications — Bachelor Social Studies, M.A, (Psycho-social Studies) PhD
- Experience — Aged care, strategic planning and research consultant, Senior Lecturer Melbourne University, MSW program
- Special Responsibilities — Chair of Mission Committee
Chair of NDIS Working Group

Michael KEE

- Director
- Qualifications — M.B.A (Executive), Bachelor of Law. BA
- Experience — Large scale commercial infrastructure consultancies and legal services.
- Special Responsibilities — Deputy Chair, Member of Strategic Planning and Service Committee
Member of Governance and Management Committee Member Marketing and Communications Working Group

Mark LAFFERTY

- Director
- Qualifications — ICAA, CA. B.Com., BA
- Experience — Chartered accountant and senior management positions
- Special Responsibilities — Chair of Finance Committee

Debra McCARTHY DC

- Director, Provincial Councillor and Trustee
- Qualifications — B. Speech Therapy [Hons], B. Theology Experience.
- Experience — Multiple senior management, CEO and Board positions.
Director, Marillac Ltd.
- Special Responsibilities — Member of NDIS Working Group
Member of Mission Committee

Bridget ORGAN

- Director
- Qualifications — RN, B.Ed.
- Experience — Senior Management in Mental Health.
- Special Responsibilities — Member of NDIS Working Group

St Mary's House of Welcome

ABN 54 050 278 754

Directors' Report

30 June 2017

Meetings of Directors

During the financial year, 10 meetings of Directors were held. Attendances by each Director were as follows:

	Directors Meetings	
	Number eligible to attend	Number attended
Sam BIONDO	5	3
Paul BRIDGEFORD	5	3
Amelia DIXON	10	6
Simon ESPOSITO	10	10
Luke FITZGERALD	10	7
Ralph HAMPSON	10	7
Michael KEE	10	9
Mark LAFFERTY	10	6
Debra McCARTHY	10	10
Bridget ORGAN	10	9
Liz BISHOP	7	5

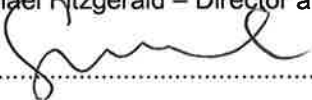
The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company. At 30 June 2017 the collective liability of members was \$300 (2016: \$300).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the financial statements.

The directors' report is signed in accordance with a resolution of the Board of Directors:

Director: 
.....
Luke Michael Fitzgerald – Director and Chair

Director: 
.....
Simon Esposito – Director and Member of Finance Committee

Dated this 26th day of October 2017

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE
DIRECTORS OF ST MARY'S HOUSE OF WELCOME**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2017 there have been:

- no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read "William Buck Audit (VIC) Pty Ltd".

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

A handwritten signature in blue ink, appearing to read "A.P. Marks".

A.P. Marks
Director

Dated this 26th day of October 2017

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

St Mary's House of Welcome

ABN 54 050 278 754

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	2	1,108,986	1,064,266
Other income	2	1,069,922	1,047,282
Employee provisions expense	3	(1,568,980)	(1,290,285)
Depreciation, amortisation and impairment	3	(108,431)	(114,511)
Repairs, maintenance and vehicle running expenses		(33,361)	(5,091)
Fuel, light and power expense		(38,320)	(28,694)
Rental expense	3	(53,145)	(54,626)
Audit, legal and consultancy fees		(100,758)	(49,766)
Marketing expenses		(38,128)	(14,524)
Client support services expenses		(90,088)	(90,007)
Fundraising expenses		(44,748)	(34,814)
Sundry expenses		(305,628)	(248,406)
Surplus/loss for the year		(202,679)	180,824
Other comprehensive income:			
NIL		-	-
Total Comprehensive income for the year		(202,679)	180,824
Total comprehensive income attributable to members of the entity		(202,679)	180,824

The accompanying notes form part of the financial statements

St Mary's House of Welcome

ABN 54 050 278 754

Statement of Financial Position

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	4	1,290,793	1,422,953
Trade and other receivables	5	8,846	39,853
Other assets	6	3,831	6,505
Total current assets		1,303,470	1,469,311
Non-current assets			
Property, plant and equipment	7	3,587,131	3,650,103
Total non-current assets		3,587,131	3,650,103
TOTAL ASSETS		4,890,601	5,119,414
LIABILITIES			
Current liabilities			
Trade and other payables	8	829,936	845,094
Short-term provisions	9	115,958	138,590
Total current liabilities		945,894	983,684
Non-Current Liabilities			
Long-term provisions	9	11,656	-
Total non-current liabilities		11,656	-
TOTAL LIABILITIES		957,550	983,684
NET ASSETS		3,933,051	4,135,730
EQUITY			
Retained surplus		3,860,565	4,039,551
Reserves	14	72,486	96,179
TOTAL EQUITY		3,933,051	4,135,730

The accompanying notes form part of the financial statements

St Mary's House of Welcome

ABN 54 050 278 754

Statement of Changes in Equity

For the Year Ended 30 June 2017

	Note	Retained Surplus \$	Building repair reserve \$	Total \$
Balance 1 July 2015		3,954,906	-	3,954,906
Total comprehensive income for the year		180,824	-	180,824
Sub-total		-	-	-
Transfer from retained surplus to reserve		(96,179)	96,179	-
Balance at 30 June 2016		4,039,551	96,179	4,135,730
Balance at 1 July 2016		4,039,551	96,179	4,135,730
Total comprehensive income/loss for the year		(202,679)	-	(202,679)
Sub-total		-	-	-
Transfer from reserve to retained surplus		23,693	(23,693)	-
Balance at 30 June 2017		3,860,565	72,486	3,933,051

The accompanying notes form part of the financial statements

St Mary's House of Welcome

ABN 54 050 278 754

Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and local government receipts		1,125,510	902,113
Donations, bequest and raffles receipts		1,019,205	1,010,305
Interest received		5,507	9,622
Rental income received		45,136	45,135
Payments to suppliers and employees		(2,287,640)	(1,863,009)
Net cash generated from/ (used in) operating activities	11	(92,282)	104,166
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		13,270	9,912
Payments for property, plant and equipment		(52,878)	(49,490)
Net cash provided by/ (used in) investing activities		(39,608)	(39,578)
Net increase/ (decrease) in cash held		(132,160)	64,588
Cash and cash equivalents at beginning of financial year		1,422,953	1,358,365
Cash and cash equivalents at end of financial year	4	1,290,793	1,422,953

The accompanying notes form part of the financial statements

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

The financial statements cover St Mary's House of Welcome as an individual entity, incorporated and domiciled in Australia. St Mary's House of Welcome is a company limited by guarantee.

The financial statements were authorised for issue on xxth October 2017 by the directors of the company.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purpose of complying with the Victorian legislation the *Fundraising Appeals Act 1998* and associated regulations and the *Australian Charities and Not-for-profits Commission Act 2012* requirements to prepare and distribute financial statements to the members of St Mary's House of Welcome. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of St Mary's House of Welcome.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1045 'Interpretations of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit orientated entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1n.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of St Mary's House of Welcome.

Accounting Policies

a. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

1. Statement of Significant Accounting Policies continued

a. Property, Plant and Equipment continued

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	
Buildings	2-25%
Plant and Equipment	10%-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit and loss in the period they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowing in current liabilities on the statement of financial position.

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

1. Statement of Significant Accounting Policies continued

c. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle, it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

e. Impairment of non-financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

f. Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

1. Statement of Significant Accounting Policies continued

g. Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

h. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting period.

i. Revenue

Non-reciprocal grant revenue is recognised in profit and loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

1. Statement of Significant Accounting Policies continued

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

k. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

l. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to confirm with changes in presentation for the current financial year.

m. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company 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-in-use calculations, which incorporate a number of key estimates and assumptions.

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

1. Statement of Significant Accounting Policies continued

n. Critical Accounting Estimates and Judgments continued

Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

o. Economic Dependence

St Mary's House of Welcome is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support St Mary's House of Welcome.

2. Revenue and Other Income

	Note	2017 \$	2016 \$
<i>Revenue from (non-reciprocal) government grants and other</i>			
- Commonwealth government grants – operating		1,063,497	1,015,452
- Local government grants - operating		39,982	39,192
		<u>1,103,479</u>	<u>1,054,644</u>
<i>Other revenue</i>			
- Interest received on investments in government and fixed interest securities		5,507	9,622
		<u>5,507</u>	<u>9,622</u>
Total revenue		<u>1,108,986</u>	<u>1,064,266</u>
<i>Other income</i>			
- Gain on disposal of property, plant and equipment		5,581	3,300
- Charitable income and fundraising		656,141	460,497
- Rental income		45,136	45,135
- Project income – Day Centre		20,328	40,787
- Day to day living project		337,724	297,697
- General project income		3,697	15,267
- ITA refund		1,315	-
- Building project recoveries		-	13,000
- CALD community engagement		-	75,420
- Building repair income		-	96,179
Total other income		<u>1,069,922</u>	<u>1,047,282</u>
Total revenue and other income		<u>2,173,327</u>	<u>2,111,548</u>

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

3. Expenses

	Note	2017 \$	2016 \$
Employee benefits expense:			
- Wages and salaries		1,380,372	1,143,034
- Superannuation contributions		131,446	102,508
- Provision for annual and long service leave		(10,976)	7,629
- Other employee costs		68,138	37,114
Total employee benefits expense		1,568,980	1,290,285
Depreciation and amortisation:			
- Depreciation		108,431	114,511
Total depreciation and amortisation		108,431	114,511
Rental expense on operating leases:			
- minimum lease payments		53,145	54,626
Total rental expense		53,145	54,626
Audit fees			
- audit services		16,500	15,800
Total audit remuneration		16,500	15,800

4. Cash and Cash Equivalents

Cash on hand		3,000	3,090
Cash at bank		611,013	757,020
Foundation Funds		676,780	662,843
	10	1,290,793	1,422,953

5. Trade and Other Receivables

CURRENT			
Trade receivables		3,135	5,625
Other receivables		5,711	34,228
	10	8,846	39,853

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

6. Other Assets

	2017	2016
	\$	\$
CURRENT		
Prepayments	3,831	6,505
	<u>3,831</u>	<u>6,505</u>

7. Property Plant and Equipment

BUILDINGS

Buildings		
At cost	4,178,779	4,178,779
Less accumulated depreciation	(691,911)	(597,403)
Total buildings	<u>3,486,868</u>	<u>3,581,376</u>

PLANT AND EQUIPMENT

Furniture and equipment		
At cost	45,718	45,718
Less accumulated depreciation	(33,903)	(32,134)
Total furniture and equipment	<u>11,815</u>	<u>13,584</u>
Other equipment		
At cost	43,751	40,706
Less accumulated depreciation	(22,482)	(18,770)
Total other equipment	<u>21,269</u>	<u>21,936</u>
Computer equipment		
At cost	94,255	94,255
Less accumulated depreciation	(93,947)	(91,374)
Total computer equipment	<u>308</u>	<u>2,881</u>
Motor vehicles		
At cost	158,422	130,500
Less accumulated depreciation	(91,551)	(100,174)
Total motor vehicles	<u>66,871</u>	<u>30,326</u>
Total plant and equipment	<u>100,263</u>	<u>68,727</u>
Total property, plant and equipment	<u>3,587,131</u>	<u>3,650,103</u>

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

7. Property Plant and Equipment continued

a. Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Furniture & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at beginning of the year	3,581,376	38,401	30,326	3,650,103
Additions	-	3,045	49,833	52,878
Disposals	-	-	(7,419)	(7,419)
Depreciation expense	(94,508)	(8,054)	(5,869)	(108,431)
Carrying amount at the end of the year	3,486,868	33,392	66,871	3,587,131

8. Trade and Other Payables

	Note	2017 \$	2016 \$
CURRENT			
Trade and sundry payables		107,940	123,001
Other payables		22,716	27,774
Foundation funds		676,780	662,843
Deferred income		22,500	31,476
		829,936	845,094

a. Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables			
- Total current		829,936	845,094
Less deferred income		(22,500)	(31,476)
Less other payables		(22,716)	(27,774)
Less foundation funds		(676,780)	(662,843)
Financial Liabilities as trade and other payables	10	107,940	123,001

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
9. Employee Provisions		
CURRENT		
Provision for employee benefits: annual leave and long service leave	115,958	138,590
	115,958	138,590
NON-CURRENT		
Provision for employee benefits: long service leave	11,656	-

Provision for Employee Benefits

Employee provisions represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

10. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets	Note	2017	2016
		\$	\$
Cash and Cash Equivalents	4	1,290,793	1,422,953
Loans and receivables	5	8,846	39,853
		1,299,639	1,462,806
Financial Liabilities			
Financial Liabilities at amortised cost			
-Trade and other payables	8a	107,940	123,001
		107,940	123,001

St Mary's House of Welcome

ABN 54 050 278 754

Notes to the Financial Statements

For the Year Ended 30 June 2017

11. Cash Flow Information

Reconciliation of Cash Flow from Operating Activities with Current Year Surplus

	Note	2017	2016
		\$	\$
Surplus/ (loss) after income tax		(202,679)	180,824
Adjustment for Non-cash flows:			
Depreciation		108,431	114,511
(Gains) on disposal of property, plant and equipment		(5,581)	(3,300)
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		31,007	11,458
Increase/(decrease) in trade and other payables		(29,095)	(238,273)
Increase/(decrease) in employee provisions		(10,976)	7,630
(Increase)/decrease in other assets		2,674	(615)
Increase/(decrease) in Foundation Funds Liability		13,937	31,931
Net cash from operating cash flows		(92,282)	104,166

12. Contingent Liabilities and Contingent Assets

There are no contingent liabilities or assets to be disclosed in the financial report.

13. Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

14. Reserves

The building repair reserve represents fundraising income to be used to support any building repairs and replace capital equipment.

15. Company Details

The registered office of the company is:

165-169 Brunswick Street
Fitzroy Vic 3065

Principal place of business is:

165-169 Brunswick Street
Fitzroy Vic 3065

St Mary's House of Welcome

ABN 54 050 278 754

Directors' Declaration

For the Year Ended 30 June 2017

In accordance with a resolution of directors of St Mary's House of Welcome, the directors declare that:

1. The financial statements and notes, as set out on pages 6 to 20, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards applicable to the company; and
 - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director:
Luke Michael Fitzgerald - Chair

Director:
Simon Esposito – Director and Member of Finance Committee

Dated this 26th day of October 2017

St Mary's House of Welcome

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of St Mary's House of Welcome (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of St Mary's House of Welcome has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Regime 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 Company 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 (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.

CHARTERED ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Regime and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company'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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in blue ink, appearing to read 'William Buck'.

William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136

A handwritten signature in blue ink, appearing to read 'A.P. Marks'.

A.P. Marks

Director

Melbourne, 26th October 2017