

# **Mary MacKillop International (Limited by Guarantee)**

ACN 159 091 737

Audited Financial Statements  
for the year ended 30 June 2016

# **Mary MacKillop International (Limited by Guarantee)**

**ACN 159 091 737**

**For the year ended 30 June 2016**

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# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

## Directors' report

Your directors present their report on the entity for the year ended 30 June 2016.

### Directors

The name of the directors in office at any time during or since the end of the year are:

John Watkins  
Marion Gambin rsj  
Noelene Quinane rsj  
Anthony Abraham  
Ann Craven  
Paul Field (Appointed 7 December 2015)  
Grahame Petersen (Appointed 20 January 2016)  
Margaret Fyfe csb (Resigned 7 December 2015)  
Paul Gavazzi (Resigned 7 December 2015)  
Suzanne Sticovich (Resigned 3 August 2015)

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 activities of the company during the financial period include:

- a) Developing, implementing, administering, managing, coordinating and evaluating programs, projects, initiatives and/or innovations
- b) Building capacity through participation, education and training, including within developing countries
- c) Developing skills that foster income generation, including within developing countries
- d) Assisting and empowering groups within communities to meet the needs of their vulnerable, including within developing
- e) Educating the Australian community with the aim of increasing its commitment to the company's purpose
- f) Advocating for and supporting programs that encourage self-determination, including within developing countries
- g) Securing funding and project partnerships with like-minded entities
- h) Undertaking any other activity incidental to or necessary for the furtherance of the purpose of the company

### Summary of company's Income and expenditure and overall financial health

This financial report demonstrates the range of work that is made possible by the generosity of so many people across Australia. From our staff, to our board members, to our donors and to our corporate partners- all who contribute in very practical ways to making a difference in the lives of our brothers and sisters overseas- we offer our sincere thanks.

Our supporters (individual donors, corporates and foundations) donated a total of \$941,315 this year which was a substantial increase on the previous year. This support was supplemented by a further \$1.1 million received from the Sisters of Saint Joseph as part of their commitment to the growth outlined in our Strategic plan and two generous bequests totalling \$242,149. Ethica's sales totalled \$175,907 demonstrating the continued support of Australian for Fair Trade products.

MMI is committed to best practice development and humanitarian aid principles and practices aimed at achieving long term results. Our financial policies focus on enabling the organisation to be able to make long term commitments to our programs, protect our work from financial fluctuations and provide some security for unanticipated events.

MMI recognises that we need robust financial and administration systems to deliver effective, efficient and transparent programs at the lowest possible costs. MMI continues to strive to increase efficiencies and reduce costs to improve our long term financial viability.

# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

## Directors' report

### Information on Directors

<b>Hon John Watkins AM</b>	—	Director
<b>Qualifications</b>	—	AM, LLB, MA, Dip Ed, HonDLitt
<b>Experience</b>	—	John started his working life as a secondary school teacher, teaching at three Catholic schools in the Sydney region. In 1995 he was elected to the State Parliament as Member for Gladesville and then Ryde. John went on to serve in the positions of Minister for Finance, Police, State Development, Education and Training, Corrective Services, Fair Trading, Sport and Recreation and Transport in the NSW Labor Government. In 2005 John was elected to the position of Deputy Premier of NSW. After resigning from Parliament in 2008 John took up the position of CEO of Alzheimers NSW. Between 2013 and 2014 he served as the Chancellor of the University of New England. He is currently also the Board Chair for the McKell Institute and the Little Company of Mary Health Care Ltd.
<b>Special Responsibilities</b>	—	Chairperson
<b>Grahame Petersen</b>	—	Director (Appointed 20 January 2016)
<b>Qualifications</b>	—	BA F Fin FAICD
<b>Experience</b>	—	Grahame worked for 35 years in the financial services industry, with executive experience in banking, strategy, risk management, investment, technology and cultural change. He has been a director of a variety of financial services companies since 1999 and was a director of a substantial foundation focused on education and financial literacy from 2008 - 2015. Grahame retired from executive life in 2015 and is now a non-executive director of not-for-profit and financial service entities.
<b>Special Responsibilities</b>	—	Member: Audit and Risk Committee
<b>Paul Field</b>	—	Director (Appointed 7 December 2015)
<b>Qualifications</b>	—	Dip. Teaching, Cert.RE
<b>Experience</b>	—	Educated by the Sisters of Saint Joseph and the Patrician and Marists Brothers, Paul graduated from the Australian Catholic University and taught at Catholic Schools in the Sydney Region. As a singer in a band, Paul toured Australia for a decade and was awarded Gold and Platinum album status for album sales. He worked for Justice James Wood at the Supreme Court of NSW (1991-1994). Paul was appointed to the Investigations Team at the Royal Commission into the NSW Police Service (1994-1997). He has been Managing Director of The Wiggles since the end of 1997 and is the Producer of their TV Series and DVDs with contributions to directing, writing and song writing. Paul is a published author and In 2016, Paul was appointed as an ambassador for the charity Soldier On and has assisted promotional campaigns for SIDS and Kids, St. Vincent de Paul, UNICEF, Jesuit Social Services, Red Cross and many other community groups for > 15 years.
<b>Anne Craven</b>	—	Director
<b>Qualifications</b>	—	LLB(Hons) LLM
<b>Experience</b>	—	Anne is a lawyer with more than 30 years experience as a solicitor in the state public services of Victoria, Western Australia and New South Wales. For most of her career she has concentrated on the area of water law and the development and implementation of water legislation as well as legislation in other related areas of environmental law.
<b>Special Responsibilities</b>	—	Member: Audit and Risk Committee

# Mary MacKillop International (Limited by Guarantee)

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## Directors' report

### Information on Directors (continued)

<b>Marion Gambin rsj</b>	—	Director
<b>Qualifications</b>	—	Dip T, BA Grad Dip RE, Med (RE)
<b>Experience</b>	—	Marion has a background in primary education, including the role of Principal, and experience as a Board Director and Chair on several Congregational company boards. Marion was formerly Regional Leader of the Sisters of St Joseph Centre West Region, and is a Councillor on the current Congregational Leadership Team.
<b>Noelene Quinane rsj</b>	—	Director
<b>Qualifications</b>	—	M. Catholic Ed; M. Ed.Admin
<b>Experience</b>	—	Noelene's background is some 35 years in Catholic education, primarily secondary, including Motor Mission work, across the Dioceses of Canberra-Goulburn and Wagga Wagga. 30 years of these were in leadership positions within Catholic schools, primarily as Principal, a highlight of which was Foundation Principal of MacKillop Catholic College Canberra for seven years. A 12 month sabbatical in the Philippines in 1996, engaging with poor barrio communities, and subsequent visits including working in the Payatas Garbage mountain community has been deeply influential.
<b>Anthony Abraham</b>	—	Director
<b>Qualifications</b>	—	B.Ec, LLB
<b>Experience</b>	—	Anthony has a background in funds management, corporate finance and structured financing including 21 years at Macquarie Bank as Executive Director of Macquarie Agricultural Funds Management. He is currently engaged on a number of boards as a non-executive director and is Managing Director of a company involved in the development and deployment of agricultural technology. Anthony has been involved in parish and fund raising for not for profit activities over many years. He currently chairs the Finance Committee of St Patrick's College Strathfield and is a member of the Board.
<b>Special Responsibilities</b>	—	Chairperson: Audit and Risk Committee
<b>Margaret Fyfe csb</b>	—	Director (Resigned 7 December 2015)
<b>Qualifications</b>	—	Grad Dip Educ, Grad Dip RE, Grad Dip Social Justice
<b>Experience</b>	—	Margaret started her working career working in in Primary Education, teaching and administration of Catholic Primary schools in Victoria and South Australia. Margaret then went on to study community development and Hispanic studies in the USA, Mexico and Bolivia. She completed study in Theology and social justice at the Yarra Theological Union in Melbourne. Margaret spent 5 years as Administrator of Caritas de Xalapa in the State of Veracruz, Mexico where she was responsible for their community development programs, health and legal services. Margaret joined Caritas Australia in 2000 as the Director of the Melbourne office and Programs Coordinator for the Latin American region. October 2013 Margaret concluded time with the Programs team and is currently the Regional Engagement Coordinator for S.A., TAS & VIC.

# Mary MacKillop International (Limited by Guarantee)

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## Directors' report

### Information on Directors (continued)

<b>Paul Gavazzi</b>	—	Director (Resigned 7 December 2015)
<b>Qualifications</b>	—	B Com. LLB
<b>Experience</b>	—	Paul is a Partner in law firm Sparke Helmore and heads the Firm's national Construction, Projects & Infrastructure Group. He has more than 25 years national experience in construction, infrastructure, complex engineering, resources, transport and property projects. Paul was a Committee member of MMI's former governance entity, Mary MacKillop International Mission Inc. and on the Board of former Mary MacKillop East Timor Commission since 2006.
<b>Suzanne Sticovich</b>	—	Director (Resigned 3 August 2015)
<b>Qualifications</b>	—	B Com, MBA, CA, MAICD
<b>Experience</b>	—	Suzanne was General Manager Business Operations for the Sisters of St Joseph. A Chartered Accountant she held senior finance roles with Asia Pacific and global responsibilities in large Australian and multinational corporations, as well as not-for-profit organisations. Former roles included Director, Corporate Planning & Analysis, Finance Director Asia Pacific and Financial Controller Australasia at Greif Inc, and senior management roles at CSR Ltd and related entities.

### Board Meetings

There have been six meetings of the Board of Directors during the period.

Directors and number of Board of Directors' meetings attended during the period include:

	Number Eligible to Attend	Meetings Attended	Explanatory Notes
John Watkins	6	6	
Marion Gambin rsj	6	6	
Noelene Quinane rsj	6	6	
Anne Craven	6	6	
Anthony Abraham	6	6	
Paul Field	4	4	Appointed 7 December 2015
Grahame Petersen	3	3	Appointed 20 January 2016
Suzanne Sticovich	0	0	Resigned 3 August 2015
Paul Gavazzi	2	1	Resigned 7 December 2015
Margaret Fyfe csb	2	1	Resigned 7 December 2015

### Members Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$50.

### Indemnifying Officers or Auditor

No indemnities have been given, however professional indemnities insurance premiums have been paid, during the financial year, for officers of the company by the ultimate shareholders.

# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

## Directors' report

### Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the

The entity was not a party to any such proceedings during the period.

### Australian Council for International Development

The company is a signatory of the Australian Council for International Development (ACFID) Code of Conduct. The company is committed to full adherence to the Code and its requirements.

Under the requirements of the code, an individual has the ability to lodge a complaint against the company to any director or the Chief Executive Officer or directly to the ACFID. Any correspondence with the ACFID should be directed to the:

Chair

ACFID Code of Conduct Committee

C/- ACFID


Private Bag 3

Deakin ACT 2600

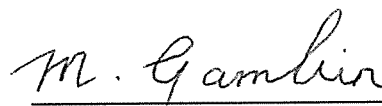
### Auditor's independence declaration

The lead auditor's independence declaration for the period ended 30 June 2016 has been received and can be found on page 8.

Signed in accordance with a resolution of the Board of Directors:

  
John Watkins  
Director

Dated: 20.10.16

  
Marion Gambin  
Director

Dated: 20.10.16

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### **AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Mary MacKillop International Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not-For Profits Commission Act 2012;
- (ii) any applicable code of professional conduct in relation to the audit



**RSM AUSTRALIA**



**C J HUME**

Director

Sydney, New South Wales

Dated: 20 October 2016



# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

## Statement of profit or loss and other comprehensive income for the year ended 30 June 2016

	Notes	2016 MMI \$	2016 Ethica \$	2016 Total \$	2015 \$
<b>Revenue</b>					
Donations and gifts:					
Monetary		657,736	10,867	668,603	623,380
Non-monetary	1 (k)	-	-	-	-
Bequests and legacies		242,149	-	242,149	-
Grants:					
Department of Foreign Affairs and Trade		-	-	-	-
Other Australian		214,179	-	214,179	8,546
Other overseas		69,400	-	69,400	133,390
Investment Income		135,148	-	135,148	79,349
Sales		12,892	175,907	188,799	290,500
Other income		1,218,638	4,345	1,222,983	157,693
Revenue for International Political or Religious Adherence Promotion		-	-	-	-
<b>Total Revenue</b>		<b>2,550,142</b>	<b>191,119</b>	<b>2,741,261</b>	<b>1,292,858</b>
<b>Expenditure</b>					
International aid and development programs					
International programs:					
Funds to international programs		844,100	-	844,100	626,818
Program support costs		191,800	-	191,800	115,363
Community education		-	-	-	-
Fundraising costs:					
Public		240,754	-	240,754	95,282
Government, multilateral and private		-	-	-	-
Depreciation of property, plant and equipment		50,104	-	50,104	49,752
Accountability and administration		345,456	102,930	448,386	375,202
International programs - non development programs		44,439	-	44,439	18,958
Cost of sales		-	99,111	99,111	80,109
Non-monetary expenditure		-	-	-	-
<b>Total International Aid and Development Programs Expenditure</b>		<b>1,716,653</b>	<b>202,041</b>	<b>1,918,694</b>	<b>1,361,484</b>
International Political or Religious Adherence Promotion		-	-	-	-
Domestic Programs Expenditure		-	-	-	-
<b>Total Expenditure</b>		<b>1,716,653</b>	<b>202,041</b>	<b>1,918,694</b>	<b>1,361,484</b>
Excess / (loss) of revenue over expenditure		833,489	(10,922)	822,567	(68,626)
Income tax expense	1 (h)	-	-	-	-
<b>Excess / (loss) of revenue over expenditure after tax</b>		<b>833,489</b>	<b>(10,922)</b>	<b>822,567</b>	<b>(68,626)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income /(loss) attributable to the entity</b>		<b>833,489</b>	<b>(10,922)</b>	<b>822,567</b>	<b>(68,626)</b>

The accompanying notes form part of these financial statements.

# Mary MacKillop International (Limited by Guarantee)

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## Statement of financial position as at 30 June 2016

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6 (a)	4,315,666	2,997,571
Trade and other receivables	2	25,000	22,642
Inventories		33,683	30,415
Other assets		40,262	-
<b>TOTAL CURRENT ASSETS</b>		<b>4,414,611</b>	<b>3,050,628</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	642,536	687,879
<b>TOTAL NON-CURRENT ASSETS</b>		<b>642,536</b>	<b>687,879</b>
<b>TOTAL ASSETS</b>		<b>5,057,147</b>	<b>3,738,507</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	138,735	78,190
Provisions	5	56,159	46,863
<b>TOTAL CURRENT LIABILITIES</b>		<b>194,894</b>	<b>125,053</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	4	429,123	-
Provisions	5	13,935	16,826
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>443,058</b>	<b>16,826</b>
<b>TOTAL LIABILITIES</b>		<b>637,952</b>	<b>141,879</b>
<b>NET ASSETS</b>		<b>4,419,195</b>	<b>3,596,628</b>
<b>EQUITY</b>			
Retained earnings		4,419,195	3,596,628
<b>TOTAL EQUITY</b>		<b>4,419,195</b>	<b>3,596,628</b>

The accompanying notes form part of these financial statements.

# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

## Statement of changes in equity for the year ended 30 June 2016

	Retained earnings	
	\$	Total
Balance at 1 July 2014	3,665,254	3,665,254
Loss over expenses	(68,626)	(68,626)
Balance at 30 June 2015	3,596,628	3,596,628
Excess of revenue over expenses	822,567	822,567
Balance as at 30 June 2016	4,419,195	4,419,195

The accompanying notes form part of these financial statements.

# Mary MacKillop International (Limited by Guarantee)

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## Statement of cash flows for the year ended 30 June 2016

	<u>Notes</u>	<u>2016</u> <u>\$</u>	<u>2015</u> <u>\$</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from donors/ grant providers		2,992,616	1,213,088
Payments to suppliers and employees		(1,804,908)	(1,296,498)
Interest received		135,148	79,349
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	6 (b)	<u>1,322,856</u>	<u>(4,061)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<u>(4,761)</u>	<u>(17,340)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(4,761)</u>	<u>(17,340)</u>
Net increase / (decrease) in cash held		1,318,095	(21,401)
Cash at the beginning of the financial year		<u>2,997,571</u>	<u>3,018,972</u>
Cash at the end of the financial year	6 (a)	<u><u>4,315,666</u></u>	<u><u>2,997,571</u></u>

The accompanying notes form part of these financial statements.

# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

Notes to the financial statements for the year ended 30 June 2016

## 1 Summary of significant accounting policies

The financial report is for Mary MacKillop International. Mary MacKillop International is a company limited by guarantee.

The financial report was authorised for issue on 17 October 2016 by the board of directors.

### Basis of preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Council for International Development (ACFID) Code of Conduct. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statement has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

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

### Accounting policies

#### a. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

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

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

#### b. Plant and Equipment

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

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

# Mary MacKillop International (Limited by Guarantee)

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Notes to the financial statements for the year ended 30 June 2016

## 1 Summary of significant accounting policies (continued)

### b. Plant and Equipment

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the economic entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20 – 100 %
Motor vehicle	8 – 13 %
Building	4.8 %

Leasehold improvement is depreciated over the life of the asset or the leased term whichever is shorter. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

### c. Financial Instruments

#### Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

Notes to the financial statements for the year ended 30 June 2016

## 1 Summary of significant accounting policies (continued)

### c. Financial Instruments (continued)

#### *Classification and Subsequent Measurement*

##### *(i) Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

##### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

##### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

##### *(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

##### *(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

### **Impairment**

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss.

### **d. Impairment of Assets**

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### **e. Employee Benefits**

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits payable later than one year have been measured at the net present value.

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

# Mary MacKillop International (Limited by Guarantee)

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Notes to the financial statements for the year ended 30 June 2016

## 1 Summary of significant accounting policies (continued)

### f. 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.

### g. 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cashflow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### h. 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.

### i. 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.

### j. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

### Key estimates — Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

### k. Contributions Received - Non-monetary

From 1 July 2013, the Sisters of St Joseph Peruvian Project Limited was transferred to the company. The balance of retained earnings at 30 June 2013 amounting to \$81,994 was disclosed as contributions received on the face of the profit and loss statement in the financial statements.

### l. Comparatives

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

### m. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements.



# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

Notes to the financial statements for the year ended 30 June 2016

	2016 \$	2015 \$
<b>2 Trade and Other Receivables</b>		
Prepayments	4,576	4,576
Deposits	781	113
Other receivables	19,643	17,953
	<u>25,000</u>	<u>22,642</u>
<b>3 Property, Plant and Equipment</b>		
Computer Equipment		
At cost	78,657	73,895
Less accumulated depreciation	(70,664)	(66,941)
Total Computer Equipment	<u>7,993</u>	<u>6,954</u>
Office Equipment		
At cost	18,548	18,548
Less accumulated depreciation	(17,263)	(16,623)
Total Office Equipment	<u>1,285</u>	<u>1,925</u>
Motor Vehicles		
At cost	119,772	119,772
Less accumulated depreciation	(87,400)	(74,734)
Total Office Equipment	<u>32,372</u>	<u>45,038</u>
Building		
At cost	724,922	724,922
Less accumulated depreciation\	(124,036)	(90,960)
Total Building	<u>600,886</u>	<u>633,962</u>
	<u>642,536</u>	<u>687,879</u>
<b>4 Trade and Other Payables</b>		
<b>Current</b>		
Trade creditors	7,915	4,453
Accruals	24,062	24,063
GST receivable	(9,270)	(7,126)
PAYG withholding	18,964	20,466
Other payables	97,064	36,334
	<u>138,735</u>	<u>78,190</u>
<b>Non-current</b>		
Other payables	<u>429,123</u>	<u>-</u>
<b>5 Provisions</b>		
<b>CURRENT</b>		
Employee benefits	56,159	46,863
<b>NON-CURRENT</b>		
Employee benefits	13,935	16,826
	<u>70,094</u>	<u>63,689</u>

# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

Notes to the financial statements for the year ended 30 June 2016

	2016 \$	2015 \$
<b>6 Cash Flow Information</b>		
<b>a) Cash and cash equivalents</b>		
Cash on hand	4,309	17,255
Cash at bank	4,311,357	2,980,316
	<u>4,315,666</u>	<u>2,997,571</u>
<b>b) Reconciliation of cash flow from operations with profit after income tax</b>		
Profit	822,567	(68,626)
Non cash flows in profit		
Depreciation	50,104	49,750
Changes in assets and liabilities:		
(Increase) in trade and other receivables	(2,358)	(421)
(Increase) in trade and other receivables	(40,262)	-
(Decrease)/increase in inventories	(3,268)	12,547
Increase / (decrease) in trade and other payables	489,668	(19,659)
Increase in provisions	6,405	22,348
Cash flows from operating activities	<u>1,322,856</u>	<u>(4,061)</u>

**c) Table of cash movements for designated purposes for the year ended 30 June 2016**

Designated purpose	Cash available at beginning of financial year	Cash raised during financial year	Cash disbursed during financial year	Cash available at end of financial year
Peru	26,708	85,303	79,884	32,127
Timor-Leste	1,770,106	610,169	879,115	1,501,160
Ethica	56,971	188,761	202,041	43,691
Total for other non-designated purposes	1,143,786	2,243,533	648,631	2,738,688
<b>TOTAL</b>	<u>2,997,571</u>	<u>3,127,766</u>	<u>1,809,671</u>	<u>4,315,666</u>

# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

Notes to the financial statements for the year ended 30 June 2016

## 7 Capital Management

Management control the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The board of directors ensure that the overall risk management strategy is in line with this objective.

## 8 Entity Details

The principal place of business and registered office of the company is:

Mary MacKillop International  
9 Mount Street  
North Sydney NSW 2060

## 9 Remuneration of Auditor

	2016 \$	2015 \$
auditing or reviewing the financial report	14,800	14,500
other services	2,500	2,250
	<u>17,300</u>	<u>16,750</u>

## 10 Members Guarantee

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 30 June 2016 the number of members was 5.

# Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

## Directors' declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

a. The financial statements and notes, as set out on pages 9 to 19, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

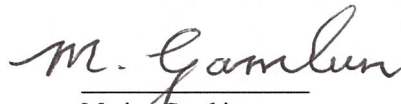
i. comply with Australian Accounting Standards; and

ii. give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

b. 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.

This declaration is made in accordance with a resolution of the Board of Directors

  
\_\_\_\_\_  
John Watkins  
Director

  
\_\_\_\_\_  
Marion Gambin  
Director

Dated: 20.10.16

**RSM Australia Pty Ltd**

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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**MARY MACKILLOP INTERNATIONAL LIMITED**

We have audited the accompanying financial report of Mary MacKillop International Limited ("the registered entity"), which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the responsible entity's declaration.

*Responsible Persons' Responsibility for the Financial Report*

The responsible persons of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commissions Act 2012* (ACNC Act) and for such internal control as the responsible persons determine is necessary to enable the preparation of the 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 conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 registered entity's preparation and fair presentation of the financial report 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 registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the responsible persons, 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.

*Opinion*

In our opinion the financial report of Mary Mackillop International Limited has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2016 and of its performance for the year ended and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



**RSM AUSTRALIA**



**C J HUME**  
Director

Sydney, New South Wales  
Dated: 20 October 2016