



We must  
teach more  
by example  
than by word



Annual Report **2016-17**





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## Accountability



The Australian Council for International Development (ACFID) is the peak Council for Australian non-for-profit aid and development organisations. Mary MacKillop International is a member of the Australian Council for International Development (ACFID) and is therefore a signatory to the ACFID Code of Conduct reflecting MMI's Compliance with industry standards of good practice, transparency and accountability.

## Complaints

Complaints alleging breaches of the ACFID Code of Conduct can be made to the ACFID Code of Conduct Committee via [www.acfid.asn.au/code-of-conduct/complaints](http://www.acfid.asn.au/code-of-conduct/complaints)

## Feedback

Mary MacKillop International welcomes feedback about our organisation. To provide feedback, or lodge a complaint or compliment, call 02 8912 2777, write to MMI, PO Box 1646 North Sydney 2059 or send an email to [info@mmi.org.au](mailto:info@mmi.org.au)

# Message from our Chair

Dear Friends



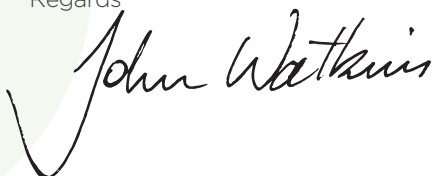
Mary MacKillop once said that we should “teach more by example than by word”. This report is full of examples of where a commitment to dignity, compassion and justice has translated into loving action; from our staff and partners overseas who have devoted themselves to a life of service to their community, right through to our wonderful supporters who continually respond to a call to action to help the poorest and most marginalised in our world.

This year was a year of significant achievements, most notably the beginning of our work supporting inclusive education in Papua New Guinea, the launch of the Mobile Learning Centre in Timor-Leste, and the growth of our women’s livelihood program in Peru.

These achievements are a testament of the hard work and dedication of all of our staff and local partners overseas. I would particularly like to thank the CEO, Kirsty Robertson for steering MMI through another successful year, as well as the Sisters of Saint Joseph for their continued generosity and support. I would also like to take this opportunity to thank our dedicated supporters, including the individuals, schools and parishes whose commitment to serving our brothers and sisters overseas has helped us create long-term sustainable change in the communities where we work. You are truly following in Mary’s footsteps to lead by example.

As we reflect on our successes of the past year and embark on the next stage of this journey, may our work continue to be an example for all of what can be done when we take effective action and work together to create positive change in our world.

Regards



The Hon John Watkins AM

## YEAR AT A GLANCE

### In Timor-Leste MMI

- Provided training and mentoring to 114 teachers in Tetum Literacy, equipping them with the skills to deliver quality education to 2,010 children.
- Distributed over 21,516 Tetum resources to parents and teachers.
- Trained 244 teachers in Health Literacy, who went on to deliver quality preventative health education to 4,979 children.
- Trained 212 parents and caregivers from remote communities to provide early learning support to over 369 children at home.
- Provided fun and interactive learning activities for over 5,392 children with the Mobile Learning Centre.



# Message from our CEO

I have come to accept  
that effective action is a  
way of loving.

Irene McCormack

Dear Friends



Thanks to the generosity and dedication of so many of our supporters, we've been able to expand our work significantly this year, both in Australia and overseas.

This year, I have witnessed MMI's growing work at home in Australia especially in schools where I saw young people beginning to engage with issues of poverty and injustice, and it reminded me that understanding the problem is such a crucial part of the solution. I believe this work that we do with students and in particular with teachers of Josephite charism schools to be a vital part of our work.

Overall our income continues to rise and most importantly the number of supporters and average gift also continues to increase. This generous support has enabled MMI to provide skill-building to over 500 teachers and 212 parents in Timor-Leste, ensuring over 12,891 children have the opportunity to receive quality education, which every child deserves. These funds have also enabled us provide over 132 children with access to early childhood education in PNG, and ensure over 96 children with disability can access allied health services in Peru.

Minimal staff turnover, strategic staffing appointments and proactive efforts to ensure staff development opportunities has resulted in great quality and efficiency in our outputs as well as allowing for a deepening understanding of our contribution to the Josephite story.

Internationally I have seen for myself and heard from staff that the people of Peru, Timor-Leste and PNG rightly take immense pride in what they've achieved with MMI's help. This, for me, is a hallmark of MMI's work.

I take this opportunity to thank the MMI Chairperson, the Hon John Watkins, MMI Board Directors and our dedicated supporters so much for all you have done to support the communities we serve, our staff and myself over this last year.

Warm regards

A handwritten signature in black ink that reads "K. Robertson".

Kirsty Robertson

## In Peru MMI:

- Built the skills of 61 student leaders, 220 teachers and 50 teachers' aides to prevent and respond to violence in their homes, in schools and in the community.
- Trained 49 parents and caregivers living in informal settlements of Lima on how to support the learning and development of children with disability.
- Trained 32 women in financial literacy, building their skills to manage their business and contribute to household financial decisions.

## In PNG MMI:

- Trained 19 community-based volunteers who in turn identified over 500 people with disability or treatable illness in remote and underserved communities.
- Trained 13 community educators in child-centred learning, who deliver classes twice per week to 132 children.



Photo credit: Katie Moore

“Most of the parents in our rural area have no basic education so through this program we can understand and learn some basic knowledge about how to treat our children and teach them after and before school.

Quimar, Parents Workshop participant, Timor-Leste

## Our principles

MMI's approach to development effectiveness is shaped by the core principles of our organisation, which are grounded in Social Catholic Teaching and the work of Mary MacKillop. These core principles are embedded in all of our international development projects, so that we can create long-term sustainable change.

### Human Dignity

Our focus on Human Dignity means that our projects

- Are people centred
- Ensure that people are never treated as merely recipients of aid or commodities

In Timor-Leste, 212 parents and caregivers from remote areas participated in workshops to gain the skills and knowledge to support the early learning of over 369 children at home. In rural areas of Timor-Leste, many parents have never had the opportunity to attend school themselves, and they therefore feel

disempowered to play an active role in their child's education. After attending the parents' workshops, 80% of parents increased their knowledge on how to deliver education at home, and over 95% of parents reported that they had gained awareness on the important role they play in their child's education. This enabled parents to greatly build their sense of self-esteem and self-worth, and achieve something they can be proud of.

### Common Good

Our focus on the Common Good means that our projects

- Promote collaboration in the community
- Focus on common good rather than a sole focus on assisting an individual

MMI's work in schools in Peru helped to reduce conflict and promote collaboration between students, families, schools and government to create safe learning environments for young people. This year, thanks to MMI's partnership with local organisation Centro de Educación,

Organización y Promoción del Desarrollo Ilo (CEOP Ilo), 61 student leaders were trained in the prevention, identification and management of violence in their school communities. In addition, a total of 44 teachers, teachers' aides and students participated in an exchange program with 3 schools from neighbouring towns to share ideas, strategies and challenges related to combatting school violence.

## Participation and Subsidiarity

Our focus on Participation and Subsidiarity means that our projects

- Support and promote the development of decision making capacities in communities
- Utilise the skills of those in the community to identify needs, plan the project and measure its success

The implementation of the new model of the Tetum Literacy and Teacher Training program has enabled MMI to move towards a stronger participatory approach to our programming,

through recruiting local field-based officers (FBOs) to work alongside teachers in remote districts. Support from the FBOs enabled a total of 114 teachers from 50 schools to receive regular workshops throughout the year, as well as individual and group monitoring and mentoring sessions. The move to field based staff has meant the community can take more ownership of the process and we can ensure their needs are best being served.



“It is very important to be an example ... to show the others, who are losing hope, to be there as some hope, someone who can show that disabled people can have a positive life, have the rights to be involved in anything in life.

Jude, Community Based Rehabilitation Volunteer, PNG

## Option for the Poor

Our focus on the Option for the Poor means that our projects

- Target those in the community who are vulnerable or affected by exclusion or marginalisation

In PNG, MMI in partnership with Callan Vanimo Inclusive Education Resource Centre empowered community-based volunteers to use their knowledge and skills to deliver a community-based rehabilitation (CBR) program that is tailored to the specific

priorities of people with disability and their families. 19 volunteers, including 3 people with disability, were selected from 9 target areas through consultation with their village community. Together, these volunteers have assisted in identifying over 500 people with disability or transient impairment while raising awareness of the importance of disability inclusion in remote village communities throughout the district. ■



# Education

Education is vital in breaking the cycle of poverty. However, in Timor-Leste, Peru and PNG many children lack access to safe, supportive and high-quality educational environments at school and in the home. MMI therefore continues to run a range of education projects to ensure children can access quality education.

This year in Timor-Leste 114 teachers received regular training and mentoring in Tetum Literacy, ensuring over 2,010 children receive quality education in the classroom. A total of 82.3% of teachers increased their knowledge on how to deliver quality literacy education after attending the training, and 80% of the teachers monitored were demonstrating high quality delivery in the classroom. MMI also distributed over 5,382 Tetum Literacy storybooks to assist teachers to deliver the national curriculum and improve the literacy skills of children. This year also saw the launch of MMI's Mobile Learning Centre in Timor-Leste, as part of a holistic community approach that brought together schools, disability centres, teachers, students and parents in communities throughout Dili and Likisa through a shared joy and passion for education. The Mobile bus



visited over 33 schools, with 5,392 children and 205 teachers participating in fun and interactive learning activities. 120 teachers borrowed resources from the mobile library to use in the classroom, and 88.1% of children reported that they enjoyed the learning activities. A good education will give these children opportunities in the future which will enable them to be empowered with skills, knowledge and confidence to make decisions that affect them.

In Peru, MMI continued to partner with local







organisation, CEOP Ilo to help create safe, inclusive and supportive learning environments for children and young people in southern Peru. The 61 student leaders trained through the program were responsible for developing community awareness strategies to engage their school and broader community. These students designed and produced posters, workshops, performances and a radio program which was played on 3 local stations to convey key messages around non-violence in their community. In addition, 100 teachers and 50 teachers' aides were engaged through face-to-face training in supporting child-led mediation, child protection and positive behaviour management or through their participation in awareness days and project planning sessions. A further 120 teachers were involved in regional training seminars from schools across the 3 target districts. Through these trainings, students, teachers and families have come to understand the importance of safe and supportive learning environments for children, thereby contributing to improved educational outcomes in participating schools.

In Papua New Guinea, most children begin

formal education at the age of 7, but do not have access to vital learning opportunities during their early, formative years. In PNG, MMI partnered with Buk bilong Pikinini to provide training to 13 community educators, including 4 people with disability, providing them with the skills and confidence to deliver quality community-based early childhood education. Each participant was also equipped with a resource kit and 1,000 books were distributed to the centre and neighbouring elementary and primary schools to establish community libraries. As a result of the training 80% of participants increased their knowledge in delivering early childhood education, while 100% of the participants demonstrated competency in the use of the classroom resources during the follow-up monitoring visits. This training provided the participants with the skills they need to create positive change in their community, evident in the growth of the community pre-school program's attendance from 90 children to 132 children over a period of 6 months, while community demand saw the program delivery increase from 1 to 2 days per week. ▶

# Health

MMI continued to run a range of health projects in Timor-Leste, Peru and PNG to ensure that all members of the community can enjoy good health, a fundamental human right.

In Timor-Leste, MMI delivered basic preventative health training to teachers in some of the most remote and underserved communities in the country, where there is an extremely high prevalence of preventable diseases among children. A total of 244 primary school teachers attended the health training, who went on to deliver preventative health lessons to over 4,979 students in the classroom. 94.9% of teachers increased their knowledge on how to effectively implement the health program after attending the training, and 84.4% of teachers were delivering the lesson at a high standard during follow-up evaluation. In addition, over 12,107 health resources, including posters and books, were distributed to teachers to use in the classroom. Preventative health education helps to break the cycle of poverty by ensuring that children from some of the poorest and most marginalised communities in Timor-Leste have the opportunity to enjoy good health and live full and purposeful lives of dignity.

In Peru, people with disability face significant barriers in accessing health services, particularly in the settlements of Lima where physical barriers such as poorly maintained roads, steep and rugged landscapes, and informal housing interact with non-physical barriers such as discrimination and stigma leading to exclusion. MMI therefore aims to increase access to specialised health and education services for children with disability, through subsidised centre-based and home-based health services. More than 200 individuals were informed of this service in 2016-17 through community awareness events, and 96 children with disability accessed allied health services at least once per month. MMI also supported parent education workshops to

help parents support their child's development. 49 parents of children with disability attended at least one parent workshop, of which 100% increased their knowledge of key topics including the importance of play for early childhood development, home-based learning strategies for children with disability and inclusive education.

In PNG, in partnership with Callan Vaimo Inclusive Education Resource Centre, MMI trained 19 community volunteers to deliver a community-based rehabilitation program which seeks to raise awareness of the rights of people with disability to inclusion, while improving access to vital health, education and social services. A core component of this is community education and awareness about disability from a health (types of impairment, prevention and management) and human rights perspective to promote greater understanding and inclusion. The volunteers conducted 8 community awareness sessions in participating communities, while also presenting on NBC Radio Sandaun, taking the message of inclusion and respect across the entire province. Alongside these education sessions, the volunteers and Callan Vaimo staff conducted 8 community screenings, through which over 500 people with permanent impairment or treatable illness were identified. Those individuals were then referred to available health, education and social services including over 40 people who were referred for vital cataract surgery. Volunteers then selected between 6 and 10 people with disability within their community who they visit on a weekly basis to deliver rehabilitative services such as physical therapy, early intervention education or social support, prioritising people with no access to alternative services. ▶







## Livelihoods

In Peru, particularly in rural areas, women face significant challenges in accessing safe, fair and meaningful employment due to lower levels of formal education and unpaid caring responsibilities in the home.

In partnership with Centro de Promoción Social Solidaridad para el Desarrollo, MMI seeks to address the challenges many women face in accessing fair and safe employment in Peru by building the skills and confidence of women to access sustainable livelihoods opportunities. This year, 32 women participated in vocational training workshops focusing on key topics including financial literacy, design and production, and accounting for non-accountants. These workshops have greatly enhanced the participating women's

confidence to be active in managing their business, with 53% of women now actively involved in managing their associations' finances. Since commencing their training in August 2015, 97% of the participants reported an overall improvement in their annual income at the end of 2016-17. In addition to the focus on economic empowerment, the project also seeks to empower women to be active members of their community through training in citizenship, leadership and public speaking. 80% of women surveyed reported that they had made a significant financial decision in their household in the past month, while 25% have taken on leadership roles within their community since attending the training. ▶



## Non- Development Programs

In addition to MMI's core development work, in 2016-17 MMI continued to run small-scale non-development projects which address immediate needs in the communities where we work. In Peru such activities included supporting aged-care programs, support

programs for children with disability and their parents, and a small-scale school infrastructure project, while in Timor-Leste this included supporting primary and tertiary students to complete their education. ▶



## New Partnerships in PNG

Following months of planning and partnership development, MMI officially began our work in Papua New Guinea on 1st July 2016 in partnership with local organisations Callan Vanimo Inclusive Education Resource Centre and Buk Bilong Pikinini. These organisations share our commitment to ensuring people living in remote communities can realise their right to quality education and good health. The first year of programming has provided significant learning opportunities for both MMI and our partners, and has already ensured that over 500 people with disability or transient impairment have increased access to health and education services, while more than 130 children have benefited from early childhood education in their community.

MMI's re-engagement with PNG builds on the legacy of the Federation Josephites who were active in PNG from 1964 up until the early 2000s. MMI is therefore focusing our

work in Vanimo region where the Sisters lived and worked for so many years. Many of the older members of the community have fond memories of the Sisters' time, and still speak of how their work in education, vocational training and pastoral support had a lasting impact on this region.

MMI celebrated our re-engagement with PNG through an official launch event at Mary MacKillop Place in May 2017 with Sisters, staff and supporters of MMI. Over 70 people came together to celebrate the legacy of the Sisters work in PNG and our building on those solid foundations through our new partnerships. This event was also attended by the Callan Vanimo Coordinator, Valentine Masa, and Community Based Rehabilitation volunteer, Willie Akela. We look forward to sharing the stories of the work in PNG in the years to come. ▶

# External Evaluation of the Health Literacy Program

MMI is committed to conducting regular external evaluations of our programs to understand the difference we are making in the communities we serve, and ensure we can continually move towards more evidence-informed and high impact practices.

Below is a summary of the findings and recommendations that were determined in this year's evaluation of MMI's Health Literacy program, which aims to combat the high levels of preventable disease among children in Timor-Leste by providing primary school teachers with the knowledge, skills and resources to provide high quality preventative health education in the classroom.

## Key Findings

- The health literacy project is filling a very important gap by providing high quality health education in the classroom and is currently having a significant impact on teachers and students in the target schools.
- Teachers dramatically increased their knowledge of basic preventive health during the workshop. Many of them also demonstrated a positive attitude about the importance of healthy behaviours.
- The existing health literacy teacher training workshops are generally excellent, however slight improvements could be made to further enhance the workshops.
- 100% of students in the sample demonstrated an increased knowledge of public health topics presented by MMI. The level of student knowledge varies widely and this variability seems to be explained by uneven levels of implementation by teachers.
- Most schools were implementing basic handwashing three months after the workshops but the evaluation data shows that most schools are struggling to maintain these practices over the medium term.
- The data points to poor infrastructure, a lack of resources, and an overall disagreement about whether parents or teachers are responsible for healthy behaviours as the main explanations for the projects limitations.







Photo credit: Katie Moore

## Key Recommendations

Given the complex economic, social, and infrastructural realities in Timor-Leste, the health literacy project is filling an important gap in the country. More targeted activities in the project have the potential to dramatically improve the already impressive outcomes of the project. The evaluator recommends that MMI build on the existing good work by deepening and intensifying impacts by:

- Moving to a field-based staffing model as soon as possible to allow for more mentoring, supervision, and ongoing support for teachers and school coordinators.
- Utilising Knowledge, Attitude and Practice theory to develop the field-based approach and create the position description of the field based officer.
- Building on successes of existing 5 day workshop with additional pedagogical innovations and further revising the health literacy materials and distribution system.
- Re-evaluating the composition, contents and distribution of the health literacy hygiene kit in order to determine what the barriers might be.
- Enhancing emphasis on preventive health actions in schools by developing a specific strategy for promoting accountability, such as designating a “champion” to take responsibility for the healthy school implementation process.
- Consider adding new project components such as small schools grants, student competitions, and parent partnerships. ▸

# Ethica Accessories

Every time an item is purchased from Ethica we are investing in women and together making a huge difference to their lives. We have seen the results firsthand in the women's various achievements this year: some are now holding leadership positions in their community, some are now reaching out to new markets; and all of them have a greater understanding of business development.

This year Ethica continued to be present at conferences, parishes, markets, schools and the Home and Giving Trade Fair. Ethica also continued to hold fundraising and awareness events, including a fashion parade showcasing traditional Peruvian clothes, and a trivia night with over 200 people in attendance. We are happy to be contributing to the dignified work of the women artisans to ensure they can receive a fair income and helping them to build sustainable business for themselves and their families.



“Before this project we were afraid to talk and to participate in our meetings, and in our community. Now we are able to participate and give our opinions, even in meetings with our whole community.

Lourdes

## From Peru to Tasmania...

### In Peru - Lourdes

Lourdes has been a member of a women's association in Peru for many years, where she makes beautiful alpaca scarves and jumpers. Through the sale of these products to Ethica, Lourdes has been able to earn a fair and independent income.

For the last 2 years, Lourdes has also had the opportunity to participate in the MMI Women's Livelihoods program, through which she has attending a series of training workshops in production, marketing, small business management and leadership.

Despite being one of the younger members of the association, Lourdes was elected as President by her peers earlier this year. However the most important change for Lourdes is that these skills and the additional income she is earning will allow her boys to go to school, to have healthy food on the table, and to have opportunities Lourdes and her husband never did. “Now I am earning an income for my family. I am proud of my job. I am happy,” she said.

For Lourdes, it brings her immense happiness to know that the products she makes each day are sold and enjoyed by people in Australia.





### **In Tasmania - Helena, “The Maker” Shop**

Our Salamanca store has enjoyed a productive and mutually beneficial association with Ethica for almost 2 years now, and their products and story have really resonated with our customers. People are delighted by the quality and presentation of Ethica’s knitwear, and the opportunity to support the fair trade ethos and tangible benefits of the work provided to the women of Peru is truly compelling.

Jan and Gina from Ethica have been patient and proactive advocates for Ethica’s principals, and really facilitated the sharing of their fair-trade story, with detailed information and support. We found that the opportunity to

speak with them in person about the social and educational improvements Ethica can foster in women’s lives, sharing photos and stories with our staff, has been invaluable. Our business can play a small part in effecting social change in Peru with our customers’ support, and Ethica have done a wonderful job linking our distant communities. ▮



# Our Staff

This year MMI continued its commitment to the professional development of staff in both our offices in North Sydney, Australia and Dili, Timor-Leste, and to ensuring that our organisational principles of dignity, compassion and justice are embedded in all that we do.

At June 30th 2017 there were 12 staff at the MMI Australia office of which 9 are part-time. The Timor-Leste office grew significantly this year, with a total of 30 staff members as of June 30th, made up of 9 women and 21 men, all fulltime. 4 of these staff members were

based in the field in the districts of Viqueque and Manufahi. Sr Kathy Jennings, a Sister of Saint Joseph, worked with MMI in Timor-Leste as a mentor during this period.

MMI staff in both Australia and Timor-Leste continued to engage in a range of professional development opportunities in order to reach their full potential and ensure MMI's operations are effectively managed and reflect contemporary good practice approaches to international development. Staff in both Timor-Leste and Australia have also continued to play a vital role in the continued strategic

development of MMI as an organisation, and were able to further reflect on Mary MacKillop's work and explore the Josephite charism at the Annual Staff Retreat.



“It is God’s own calm, quiet work and let us do it in His own calm, quiet way.”

Julian Tenison Woods

## Field Based Officers

2016-17 saw our first year of a field-based model for our parents and teacher training activities in Timor-Leste. As part of this model, MMI recruited 4 Field-Based Officers (FBOs) who live and work in the local communities in Manufahi and Viqueque district in order to provide more regular and in-depth support for our parents and literacy program.

Marciano de Jesus dos Reis is a Literacy FBO based in the sub-district of Fatuberliu in Manufahi district. Marciano joined MMI because of his passion for providing quality education for children, who often miss out on this opportunity due to the extreme remoteness of his community.

Marciano works alongside 3 other FBO's to deliver culturally relevant training and mentoring to teachers and parents in remote and hard-to-reach areas, travelling out on the

back of motorbikes on unsealed dirt roads through mountainous terrain so they can access remote villages where the education needs are the most dire. The presence of community-based FBOs enables us to provide a much more community centred approach. ▶



“As a Field Based Officer for the Literacy Program I feel really encouraged and enjoy my work. The reason I work with MMI is to improve the quality of education for communities and help them access literacy and numeracy because people living in remote areas have a lack of access to best quality of education. I really appreciated MMI's presence in Fatuberliu to respond to the needs of the community.”



## Our dedicated supporters

We at MMI humbly follow in Saint Mary's footsteps, growing in our relationship with our fellow supporters across Australia including schools, parishes, community groups, organisations and individuals.

Our parish appeals program has allowed for hundreds more people to share in the stories of how MMI is working with communities throughout the world. The welcome we have received has been overwhelming and the income of nearly \$90,000 across eight dioceses has contributed to training hundreds of teachers in Timor-Leste, has helped to create a livelihood for dozens of women in Peru and has allowed MMI to re-engage in PNG.

Some of the highlights of the past year included Mary MacKillop Feast Day in August, where we hosted our special visitor from Timor-Leste, MMI's Health Coordinator Bonifacio Barreto (Bonnie). During Bonnie's visit, we visited parishes throughout Sydney, held a High Tea in Melbourne, and had the chance to thank The Knights of the Southern Cross in Victoria for their support of Tetum resources.

We would also like to extend an enormous thank you to all the supporters of the Mobile Learning Centre bus, which made its maiden voyage in September and has been such an engaging way to share interactive learning

with the poorest children around Dili. The purchase of the bus was made possible due to the generous support of The Australian Catholic University (ACU), and volunteers from Soldier-On who worked tirelessly to convert the bus into a library. Excitingly, The Wiggles helped us to raise much-needed awareness of the Mobile Learning Centre, with many children around Australia viewing the short-film and being inspired to support their brothers and sisters in Timor-Leste.

Our dedicated Josephite schools and many others have contributed to MMI's work by fundraising a remarkable \$90,000 to support projects throughout the world. Social justice days, participating in Saint Mary's charism through MMI's Charism Kit, fundraising through long-standing initiatives such as "Peru Day" and welcoming our visitors from Papua New Guinea in May are just some of the ways in which schools have partnered with MMI this year. We welcome several new schools from across Australia- thank you for your energy and enthusiasm! ▶

## An outstanding debt

Jerry Haire fought in Timor-Leste during WWII, where each commando was assigned a criado, or "local helper". It is believed that without the help of these young Timorese boys and the support of their villages the Australians would not have survived. Jerry's daughter, Mary Haire, reflects: "I am honoured to be associated with MMI due to the debt my father, me and Australia owe the East Timorese, because of the inspiring sisters who founded it and that it operates without fanfare, a quality shared with my father, the late Jerry Haire." ▶



Jerry Haire with his criado MacCaulay. November 1942.









Love one another, bear with one another, and let charity guide you all your life.

Mary MacKillop

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

ACN 159 091 737

# Audited Financial Statements for the year ended 30 June 2017

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## **Directors' report**

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

### **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  
Grahame Petersen

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
- 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 \$1,027,685 this year which was again an 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. Ethica's sales totalled \$170,685 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 and we continue to strive to increase efficiencies and reduce costs to improve our long term financial viability.

## 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
<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
<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



## 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

### 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:

	<b>Number Eligible to Attend</b>	<b>Meetings Attended</b>	<b>Explanatory Notes</b>
John Watkins	6	6	
Marion Gambin rsj	6	6	
Noelene Quinane rsj	6	5	
Anne Craven	6	3	
Anthony Abraham	6	4	
Paul Field	6	3	
Grahame Petersen	6	5	

## **Directors' report**

### **Information on Directors (continued)**

#### **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 2017, 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.

#### **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

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

#### **Australian Council for International Development**

Mary MacKillop International is a member of the Australian Council for International Development (ACFID). As a signatory the MMI financial statements comply with the presentation and disclosure requirements of the ACFID Code of Conduct. Please refer to the ACFID Code of Conduct website for further information.

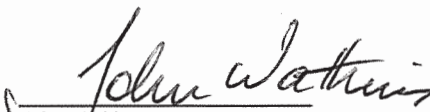
Any individual has the ability to lodge a complaint against the company to any director or the Chief Executive Officer or directly to the ACFID. Any correspondence with the ACFID should be directed to the

Chair  
ACFID Code of Conduct  
C/- ACFID  
Private Bag 3  
Deakin ACT 2600

#### **Auditor's independence declaration**

The lead auditor's independence declaration for the year ended 30 June 2017 as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012, has been received and can be found on page 7.

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

  
John Watkins  
Director

Dated: 16 October 2017

  
Marion Gambin  
Director

Dated: 16 October 2017



**RSM Australia Pty Ltd**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

[www.rsm.com.au](http://www.rsm.com.au)**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 2017, 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: 16 October 2017

**THE POWER OF BEING UNDERSTOOD****AUDIT | TAX | CONSULTING**

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

**Statement of profit or loss and other comprehensive income for the year ended 30 June 2017**

Notes	2017 MMI \$	2017 Ethica \$	2017 Total \$	2016 \$
<b>Revenue</b>				
Donations and gifts:				
Monetary	779,471	6,255	785,726	668,603
Non-monetary	-	-	-	-
Bequests and legacies	53,460	-	53,460	242,149
Grants:				
Department of Foreign Affairs and Trade	-	-	-	-
Other Australian	164,664	-	164,664	214,179
Other overseas	23,835	-	23,835	69,400
Investment Income	101,134	-	101,134	135,148
Sales	101,743	170,685	272,428	188,799
Other income	1,105,053	924	1,105,977	1,222,983
Revenue for International Political or Religious Adherence Promotion	-	-	-	-
<b>Total Revenue</b>	<b>2,329,360</b>	<b>177,864</b>	<b>2,507,224</b>	<b>2,741,261</b>
<b>Expenditure</b>				
International aid and development programs				
International programs:				
Funds to international programs	1,016,163	-	1,016,163	844,100
Program support costs	204,680	-	204,680	191,800
Community education	-	-	-	-
Fundraising costs:				
Public	293,157	-	293,157	240,754
Government, multilateral and private	-	-	-	-
Depreciation of property, plant and equipment	52,095	-	52,095	50,104
Accountability and administration	317,932	107,228	425,160	448,386
International programs - non development programs	39,876	-	39,876	44,439
Cost of sales	-	88,184	88,184	99,111
Non-monetary expenditure	-	-	-	-
Total International Aid and Development Programs Expenditure	1,923,903	195,412	2,119,315	1,918,694
International Political or Religious Adherence Promotion	-	-	-	-
Domestic Programs Expenditure	-	-	-	-
<b>Total Expenditure</b>	<b>1,923,903</b>	<b>195,412</b>	<b>2,119,315</b>	<b>1,918,694</b>
Excess / (loss) of revenue over expenditure	405,457	(17,548)	387,909	822,567
Income tax expense	-	-	-	-
<b>Excess / (loss) of revenue over expenditure after tax</b>	<b>405,457</b>	<b>(17,548)</b>	<b>387,909</b>	<b>822,567</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income /(loss) attributable to the entity</b>	<b>405,457</b>	<b>(17,548)</b>	<b>387,909</b>	<b>822,567</b>

The accompanying notes form part of these financial statements.



**Statement of financial position as at 30 June 2017**

	<b>Notes</b>	<b>2017 \$</b>	<b>2016 \$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8 (a)	4,648,838	4,315,666
Trade and other receivables	2	14,385	25,000
Inventories	3	31,075	33,683
Other assets	4	26,749	40,262
<b>TOTAL CURRENT ASSETS</b>		<b>4,721,047</b>	<b>4,414,611</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	681,054	642,536
<b>TOTAL NON-CURRENT ASSETS</b>		<b>681,054</b>	<b>642,536</b>
<b>TOTAL ASSETS</b>		<b>5,402,101</b>	<b>5,057,147</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	114,867	138,735
Provisions	7	93,738	56,159
<b>TOTAL CURRENT LIABILITIES</b>		<b>208,605</b>	<b>194,894</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	6	375,483	429,123
Provisions	7	10,909	13,935
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>386,392</b>	<b>443,058</b>
<b>TOTAL LIABILITIES</b>		<b>594,997</b>	<b>637,952</b>
<b>NET ASSETS</b>		<b>4,807,104</b>	<b>4,419,195</b>
<b>EQUITY</b>			
Retained earnings		4,807,104	4,419,195
<b>TOTAL EQUITY</b>		<b>4,807,104</b>	<b>4,419,195</b>

The accompanying notes form part of these financial statements.

**Statement of changes in equity for the year ended 30 June 2017**

	<b>Retained earnings</b>	
	<b>\$</b>	<b>Total</b>
<b>Balance at 1 July 2015</b>	3,596,628	3,596,628
Excess of revenue over expenses	822,567	822,567
<b>Balance at 30 June 2016</b>	4,419,195	4,419,195
Excess of revenue over expenses	387,909	387,909
<b>Balance as at 30 June 2017</b>	4,807,104	4,807,104

The accompanying notes form part of these financial statements.



**Statement of cash flows for the year ended 30 June 2017**

	<b>Notes</b>	<b>2017 \$</b>	<b>2016 \$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from donors/ grant providers		2,376,578	2,992,616
Payments to suppliers and employees		(2,053,927)	(1,804,908)
Interest received		101,134	135,148
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	8 (b)	<b>423,785</b>	<b>1,322,856</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(90,613)	(4,761)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(90,613)</b>	<b>(4,761)</b>
Net increase in cash held		333,172	1,318,095
Cash at the beginning of the financial year		4,315,666	2,997,571
Cash at the end of the financial year	8 (a)	<b>4,648,838</b>	<b>4,315,666</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements for the year ended 30 June 2017

### **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 16 October 2017 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.

**Notes to the financial statements for the year ended 30 June 2017**

**1 Summary of significant accounting policies (continued)**

**b. Plant and Equipment continued**

**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.



## Notes to the financial statements for the year ended 30 June 2017

### **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.

**Notes to the financial statements for the year ended 30 June 2017**

**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. Comparatives**

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

**l. 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.

**Notes to the financial statements for the year ended 30 June 2017**

	\$	\$
<b>2 Trade and Other Receivables</b>		
Prepayments	2,205	4,576
Deposits	-	781
Other receivables	12,180	19,643
	<u>14,385</u>	<u>25,000</u>
<b>3 Inventories</b>		
At cost:		
Inventory	<u>31,075</u>	<u>33,683</u>
<b>4 Other Assets</b>		
Accrued Interest	<u>26,749</u>	<u>40,262</u>
<b>5 Property, Plant and Equipment</b>		
Computer Equipment		
At cost	33,043	78,657
Less accumulated depreciation	(12,674)	(70,664)
Total Computer Equipment	<u>20,369</u>	<u>7,993</u>
Office Equipment		
At cost	4,978	18,548
Less accumulated depreciation	(4,184)	(17,263)
Total Office Equipment	<u>794</u>	<u>1,285</u>
Motor Vehicles		
At cost	168,650	119,772
Less accumulated depreciation	(76,569)	(87,400)
Total Office Equipment	<u>92,081</u>	<u>32,372</u>
Building		
At cost	724,922	724,922
Less accumulated depreciation	(157,112)	(124,036)
Total Building	<u>567,810</u>	<u>600,886</u>
	<u>681,054</u>	<u>642,536</u>



**Notes to the financial statements for the year ended 30 June 2017**

	\$	\$
<b>6 Trade and Other Payables</b>		
<b>Current</b>		
Trade creditors	(158)	7,915
Accruals	20,226	24,062
GST receivable	(10,016)	(9,270)
PAYG withholding	20,289	18,964
Other payables	84,526	97,064
	<b>114,867</b>	<b>138,735</b>
<b>Non-current</b>		
Other payables	375,483	429,123
<b>7 Provisions</b>		
<b>CURRENT</b>		
Employee benefits	93,738	56,159
<b>NON-CURRENT</b>		
Employee benefits	10,909	13,935
	<b>104,647</b>	<b>70,094</b>
<b>8 Cash Flow Information</b>		
<b>a) Cash and cash equivalents</b>		
Cash on hand	717	4,309
Cash at bank	4,648,121	4,311,357
	<b>4,648,838</b>	<b>4,315,666</b>
<b>b) Reconciliation of cash flow from operations with profit after income tax</b>		
Profit	387,909	822,567
Non cash flows in profit		
Depreciation	52,095	50,104
Changes in assets and liabilities:		
Decrease/ (Increase) in trade and other receivables	10,615	(2,358)
Decrease/ (Increase) in other assets	13,513	(40,262)
Increase/ (Decrease) in inventories	2,608	(3,268)
(Decrease)/ Increase in trade and other payables	(77,508)	489,668
Increase in provisions	34,553	6,405
Cash flows from operating activities	<b>423,785</b>	<b>1,322,856</b>

**Notes to the financial statements for the year ended 30 June 2017**

**c) Table of cash movements for designated purposes for the year ended 30 June 2017**

<b>Designated purpose</b>	<b>Cash available</b>	<b>Cash raised</b>	<b>Cash disbursed</b>	<b>Cash available</b>
Timor-Leste	1,501,160	353,570	809,489	1,045,241
Ethica	43,691	165,684	195,412	13,963
Total for other non-designated purposes	2,770,815	1,958,457	1,139,640	3,589,632
<b>TOTAL</b>	<b>4,315,666</b>	<b>2,477,711</b>	<b>2,144,541</b>	<b>4,648,836</b>

**9 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.

**10 Entity Details**

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

Mary MacKillop International  
9 Mount Street  
North Sydney NSW 2060

**11 Remuneration of Auditor**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Auditing or reviewing the financial report	<b>15,000</b>	14,800
Other services	<b>3,000</b>	2,500
	<b>18,000</b>	17,300

**12 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 2017 the number of members was 5.

**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.

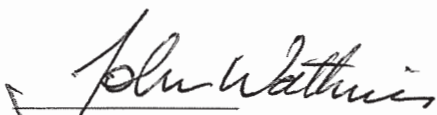
The directors of the company declare that:

a. The financial statements and notes, as set out on pages 8 to 18, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:


- i. comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- ii. give a true and fair view of the company's financial position as at 30 June 2017 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

Dated: 16 October 2017

  
Marion Gambin  
Director

Dated: 16 October 2017



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## INDEPENDENT AUDITOR'S REPORT

To the Members of Mary MacKillop International Limited

### Opinion

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

In our opinion, the financial report of the registered entity 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 registered entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 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 registered entity in accordance with 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.

### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the registered entity to meet the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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### **Responsibilities of Management and Those Charged with Governance 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 Commission 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### **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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



**RSM AUSTRALIA**



**C J HUME**  
**Director**

Sydney, New South Wales  
Dated: 16 October 2017













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