

The Mary MacKillop Foundation Limited

ABN 53 838 436 582

Audited Financial Statements
for the year ended 30 June 2018

The Mary MacKillop Foundation Limited

53 838 436 582

For the year ended 30 June 2018

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The Mary MacKillop Foundation Limited

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Directors' report

Your directors present their report on the company for the financial year ended 30 June 2018.

Director

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

Terrance Clout (Chairperson)

Anthony Abraham (appointed 7 December 2017; resigned 30 June 2018)

Anthony Eviston (appointed 7 July 2017; resigned 7 December 2017)

Cecelia Louise Reeves (resigned 7 December 2017)

Grahame Petersen (appointed 7 December 2017; resigned 30 June 2018)

Ingrid Just (resigned 7 December 2017)

John Collins

John Watkins (appointed 7 December 2017; resigned 30 June 2018)

Narelle Kennedy (resigned 7 December 2017)

Sheila McCreanor

Therese McGarry (appointed 7 July 2017, resigned 7 December 2017)

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

MISSION OF THE MARY MACKILLOP FOUNDATION LIMITED

The Mary MacKillop Foundation Limited draws its mission from the mission of the Sisters of St Joseph of the Sacred Heart which aims:

“to relieve suffering and bring hope
wherever we are
whoever we are
however we can
whatever we do.”

Given the reality of the fear, pain and suffering in the national and international events of this time the Sisters of St Joseph of the Sacred Heart are deeply conscious of our broken and fragmented world.

We recognise that in society everywhere there is:

- The hunger for spirituality and meaning
- The hunger for right relationship with others and for just systems
- The hunger to belong and be part of a nurturing and trustworthy community.

The Mary MacKillop Foundation Limited commits itself to making efforts especially around the critical issues in Australia

- Meeting the needs of people in rural and isolated areas
- Providing support to people with mental illness or disabilities
- Working in partnership with Aboriginal and Torres Strait Islanders
- Responding to the needs of people coming to our country without support
- Relieving the effects of physical, emotional and spiritual distress
- Being with the people and alongside the disadvantaged and suffering is central to the identity of the Sisters of St Joseph of the Sacred Heart. It means working with others, taking responsibility, having an attitude of willingness, sharing ourselves and our resources and promoting justice in our local community and in the wider community.

VISION OF THE MARY MACKILLOP FOUNDATION LIMITED

The Mary MacKillop Foundation Limited shall conduct itself in accordance with the spirit and traditions of the Congregation of the Sisters of St Joseph of the Sacred Heart which include commitment to:

1. Working in partnership with others to further the mission of Jesus Christ entrusted to the Catholic Church in which mission the Congregation shares.
2. Searching for justice and reaching out in compassion to bring the Gospel of Jesus Christ to those in need.
3. Working for others, especially the poor, within the limits of human weakness and frailty but trusting in and dependent upon God.
4. Respect for the uniqueness of each person and to awaken in all people a sense of their worth and dignity
5. Respect and care for the total needs of the human person.

OBJECTS OF THE MARY MACKILLOP FOUNDATION LIMITED

a) The principal object for which the Company is established is, in following the Gospel of Jesus Christ, the example of Mary MacKillop and in fidelity to the spirit, traditions and practices of the Congregation, to relieve suffering and bring hope.

The Mary MacKillop Foundation Limited

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Directors' report

OBJECTS OF THE MARY MACKILLOP FOUNDATION LIMITED (CONTINUED)

- b) To achieve the principal object for which the Company is established by:
- i) Assisting people who wish to work together creatively for the elimination of suffering, destitution, helplessness and poverty.
 - ii) Supporting community based self help projects that relieve distress caused by poverty, disability, mental and physical illness, misfortune or lack of basic resources.
 - iii) Providing educational opportunities.
 - iv) Helping people to overcome isolation and the effects of misfortune in order to achieve an increased measure of self reliance and human dignity.
 - v) Being open to the needs of those who cannot help themselves, to retain and observe their customary values, traditions and culture that address their social and spiritual welfare and thereby relieves suffering.
 - vi) Working in partnership with Aboriginal and Torres Strait Island communities.
- c) To do such other things as are incidental or conducive to the attainment of these objects.
- d) To do all or any of the things authorised by the Corporations Act.

PURPOSE OF THE MARY MACKILLOP FOUNDATION LIMITED

The Mary MacKillop Foundation continues the legacy of Saint Mary MacKillop, who believed that the way to improve the lives of vulnerable and marginalised Australians was through education.

The Foundation does this through the provision of grants to community groups for education based projects. We also provide scholarships for Aboriginal and Torres Strait Islander people who wish to continue their education at a tertiary

Information on Directors

Hon John Watkins AM	—	Director
Qualifications	—	AM, LLB, MA, Dip Ed, HonDLitt
Experience	—	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.
Special Responsibilities	—	Chairperson of Mary MacKillop Today: Strategic Planning Consultation Committee
Anthony Abraham	—	Director
Qualifications	—	B.Ec, LLB
Experience	—	Anthony has a background in funds management, corporate finance, tax, accounting and finance including 21 years at Macquarie Bank where he was an Executive Director in Macquarie Agricultural Funds Management. Anthony currently works as an investment manager for a private equity firm as well as providing consulting services and acting as a non executive director on a number of boards including the listed Australian Agricultural Company. Anthony has been involved in boards and finance committees for parish and schools for a number of years in the past.
Special Responsibilities	—	Member: Finance, Audit and Risk Committee
Grahame Petersen	—	Director
Qualifications	—	BA F Fin FAICD
Experience	—	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.
Special Responsibilities	—	Member: Finance, Audit and Risk Committee

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Directors' report

Information on Directors (continued)

Therese McGarry RSJ	—	Director
Qualifications	—	Dip T, M Arts(Theology), Grad Dip RE
Experience	—	Therese has a background in the ministry of education, in schools as teacher and principal, and then in adult faith education. Therese has served as Congregational Leader for the Sisters of St Joseph Perthville and is currently on the NSW Regional Leadership Team. Previous Board experience includes directorship on School Boards Former Congregational Leader of the Perthville Josephites and Board member of the Josephite Foundation
Terrance Clout	—	Director
Qualifications	—	B.A.(UoW),Cert IR,FAICD,FGRCI,FACHSM,FRMIA,CPRM,JP
Experience	—	Terrance has over thirty years experience in the management and governance of public health services in NSW. Experienced Board Chair, mentor and consultant
Special Responsibilities	—	Member: Finance, Audit and Risk Committee
John Collins	—	Director
Qualifications	—	B Com (Honours), CA, CFP
Experience	—	John founded Black Pearl Private Clients Twenty five years financial services experience within Big 4 Chartered Accounting firms and investment banks providing corporate tax, private banking, wealth management and transaction advisory services to high net worth families and mid market private business owners
Special Responsibilities	—	Member: Finance, Audit and Risk Committee
Katherine Barnett	—	Director
Qualifications	—	BA, LLB, Grad DipComms Mgmt, Diploma Mod Lang. (Mandarin)
Experience	—	Currently CEO St Vincents Institute Foundation, Kate has more than fifteen years' experience in strategic and organisational leadership in non-profit and membership based organisations, law and higher education fundraising in Australia and overseas. Former roles include Director of Development at the University of Melbourne Law School, and inaugural National Executive Director of the Australia China Business Council.
Special Responsibilities	—	Member: Strategic Planning Consultation Committee
Narelle Kennedy AM	—	Director
Qualifications	—	B.Social Studies, 1 st class honours, University of Sydney
Experience	—	Business research, innovation, social and economic policy, in private enterprise, government and not-for-profit sector Managing Director, The Kennedy Company Pty. Ltd
Special Responsibilities	—	Chair, Governance Committee
Louise Reeves RSJ	—	Director
Qualifications	—	M.Ed, MA, LLB
Experience	—	Member of Congregational Leadership Team, Sisters of Saint Joseph
	—	30 years experience in Education in Australia and Africa. 12 years' experience in law. Currently Secretary-General of Sisters of St Joseph.
Sheila McCreanor RSJ	—	Director
Qualifications	—	Dip T, Grad Dip Ed Admin, M Ed, PhD, GAICD, JP
Experience	—	Previously was a Board Director on Mary MacKillop Care SA Ltd and Sisters of St Joseph Mary MacKillop College Kensington Limited. 12 years' experience on the Congregational Leadership Team as Secretary General for Sisters of Saint Joseph with 25 years experience as a teacher and principal in various Catholic schools in SA.

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Directors' report

Information on Directors (continued)

Anthony Eviston	—	Director
Qualifications	—	JP
Experience	—	Tony is the Chancellor for the Catholic Diocese of Bathurst, where he has been employed in varying roles since 1989. He commenced his employment in retail. Undertaking with Myer Ltd an accounting traineeship. Tony's Board experience includes The Neighbourhood Centre, Bathurst; Lifeline Central West, Lifeline Australia, the Josephite Foundation, Commissioner of the Catholic Employment Relations Commission

Board Meetings

There have been 6 meetings of the Board of Directors during the period. Board meetings are a mixture of assemblies at Mount Street, North Sydney and teleconferences.

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

	Number Eligible to Attend	Meetings Attended	Explanatory Notes
John Watkins	3	3	
Terrance Clout	6	6	
Sheila McCreanor	6	6	
John Collins	3	3	
Anthony Eviston	3	3	
Grahame Petersen	3	3	
Narelle Kennedy	3	2	
Therese McGarry	3	3	
Anthony Eviston	3	3	
Ingrid Just	3	3	
Louise Reeves	3	3	
Kate Barnett	3	3	

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 \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$500 (2017: \$500).

Indemnifying Officers or Auditor

No indemnities have been given, however professional indemnity 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 which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those

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


Auditor's Independence Declaration

The auditor's independence declaration as required under s.60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* is set out on page 7.

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



Director (Chair)
Dated: 22/11/18



Director
Dated: 22/11/18

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Mary MacKillop Foundation Limited for the year ended 30 June 2018, 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

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

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read "C J Hume".

C J HUME
Partner

Dated: 22 November 2018

The Mary MacKillop Foundation Limited

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Statement of profit or loss and other comprehensive income for the year ended 30 June 2018

	<u>Notes</u>	<u>2018</u> \$	<u>2017</u> \$
INCOME			
Donations / Partnership and Grants Income			
Public Donations Received		1,666,482	982,529
Grants income		469,774	-
Contributions Received		474,875	465,000
Total Donations/Partnership and Grants Income		2,611,131	1,447,529
Investment and Other Income		891,534	254,490
TOTAL INCOME	2	3,502,665	1,702,019
EXPENSES			
Distributions			
Grants		183,312	212,923
Aboriginal Scholarship		495,189	374,398
Total Distributions		678,501	587,321
Fundraising & Sponsorship			
Fundraising Expenses		120,768	15,830
Total Fundraising & Sponsorship Expenses		120,768	15,830
Administrative Expenses			
Accounting & Audit		18,018	31,586
Advertising		1,107	4,624
Bank and Managed Fund Fee		20,935	15,760
Board Meetings		3,114	843
Depreciation		5,141	1,692
Insurance		37,692	10,175
Newsletter Printing, Postage and Couriers		11,006	20,582
Printing and Stationery		4,766	6,558
Employee Costs		806,860	461,676
Occupancy Costs		46,878	29,781
Subscriptions, Memberships, Conferences		5,943	1,737
Telephone and IT Expense		7,452	5,599
Travel Expenses		20,037	974
Other Expenses		313,223	41,396
Total Administrative Expenses		1,302,172	632,983
TOTAL EXPENSES		2,101,441	1,236,134
NET PROFIT		1,401,224	465,885
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Changes in fair value of available-for-sale financial assets		(55,384)	55,695
OTHER COMPREHENSIVE INCOME FOR THE YEAR		(55,384)	55,695
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,345,840	521,580

The accompanying notes form part of these financial statements.

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Statement of financial position as at 30 June 2018

	<u>Notes</u>	<u>2018</u> \$	<u>2017</u> \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,735,551	451,930
Trade and other receivables	4	401,528	-
Other current assets	5	767,377	545,366
TOTAL CURRENT ASSETS		2,904,456	997,296
NON-CURRENT ASSETS			
Property, plant and equipment	6	-	800,000
Other financial assets	7	5,449,005	4,584,576
TOTAL NON-CURRENT ASSETS		5,449,005	5,384,576
TOTAL ASSETS		8,353,461	6,381,872
CURRENT LIABILITIES			
Trade and other payables	8	165,472	242,877
Borrowings	9	173,479	-
Provisions	10	33,889	16,113
TOTAL CURRENT LIABILITIES		372,840	258,990
NON-CURRENT LIABILITIES			
Provisions	10	1,987	-
TOTAL NON-CURRENT LIABILITIES		1,987	-
TOTAL LIABILITIES		374,827	258,990
NET ASSETS		7,978,634	6,122,882
EQUITY			
Reserves - Financial Assets		398,795	454,179
Reserves - Corpus		4,000,000	4,000,000
Reserves - Asset revaluation		-	511,210
Retained profits		3,579,839	1,157,493
TOTAL EQUITY		7,978,634	6,122,882

The accompanying notes form part of these financial statements.

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Statement of changes in equity for the year ended 30 June 2018

	Reserves			Retained Profits	Total
	Corpus	Asset Revaluation	Financial Assets		
	\$	\$	\$	\$	
Balance as at 1 July 2016	4,000,000	511,210	398,484	691,608	5,601,302
COMPREHENSIVE INCOME					
Profit for the year	-	-	55,695	465,885	521,580
Other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	55,695	465,885	521,580
Balance as at 1 July 2017	4,000,000	511,210	454,179	1,157,493	6,122,882
OTHER					
Transfer retained earnings from Josephite Foundation to Mary MacKillop Foundation due to the merge	-	-	-	509,912	509,912
Transfer from asset revaluation reserves to retained earnings at property disposal	-	(511,210)	-	511,210	-
TOTAL	-	(511,210)	-	1,021,122	509,912
COMPREHENSIVE INCOME					
Profit for the year	-	-	-	1,401,224	1,401,224
Other comprehensive income	-	-	(55,384)	-	(55,384)
TOTAL COMPREHENSIVE INCOME	-	-	(55,384)	1,401,224	1,345,840
Balance as at 30 June 2018	4,000,000	-	398,795	3,579,839	7,978,634

The accompanying notes form part of these financial statements.

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Statement of cash flows for the year ended 30 June 2018

	<u>Notes</u>	<u>2018</u> \$	<u>2017</u> \$
CASH FLOW FROM OPERATING ACTIVITIES			
Donations / partnership and events income received		1,512,717	926,402
Payments to suppliers and distributions		(2,153,942)	(1,120,890)
Contributions received		474,875	465,000
Interest received		70,992	51,111
		<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	11	(95,358)	321,623
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of Property, plant and equipments		794,859	-
Payment for Investment		410,641	(195,609)
		<hr/>	<hr/>
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		1,205,500	(195,609)
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		173,479	-
		<hr/>	<hr/>
NET CASH PROVIDED BY FINANCING ACTIVITIES		173,479	-
		<hr/>	<hr/>
Net increase in cash and cash equivalents held		1,283,621	126,014
Cash and cash equivalents at the beginning of the financial year		451,930	325,916
Cash and cash equivalents at the end of the financial year	3	1,735,551	451,930

The accompanying notes form part of these financial statements.

The Mary MacKillop Foundation Limited

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Notes to the financial statements for the year ended 30 June 2018

1 Summary of significant accounting policies

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

During FY 2017, the Board approved the Chair and the Deputy Chair executing the Deed of Transfer for the Assets and Undertaking of Josephite Foundation (ABN 90 912 924 596) to the Mary MacKillop Foundation Limited.

On 1 July 2017, all assets and liabilities of Josephite Foundation have been transferred to the Mary MacKillop Foundation Limited with \$1 consideration.

The financial report was authorised for issue on 22 November 2018 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. 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 deferred 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. Property, Plant and Equipment

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

Property

Buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment

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

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Notes to the financial statements for the year ended 30 June 2018

1 Summary of significant accounting policies (continued)

b. Plant and Equipment (continued)

Depreciation

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.

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%

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.

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.

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Notes to the financial statements for the year ended 30 June 2018

1 Summary of significant accounting policies (continued)

c. Financial Instruments (continued)

(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 and are valued at fair value.

(v) Financial liabilities

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

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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 Income Statement.

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.

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Notes to the financial statements for the year ended 30 June 2018

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

Goods and Services Tax (GST)

Revenue and expenses 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. Comparative Figures

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

k. 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 group.

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.

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.

The Mary MacKillop Foundation Limited

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Notes to the financial statements for the year ended 30 June 2018

	2018	2017
	\$	\$
2 Revenue		
Donations	1,666,482	982,529
Contributions received	474,875	465,000
Grants income	469,774	-
Other income	891,534	254,490
	<u>3,502,665</u>	<u>1,702,019</u>
(i) In 1 July 2017, the Josephite Foundation was transferred into the Mary MacKillop Foundation Limited and this amount represents the amount gifted.		
3 Cash and cash equivalents		
Main Account	1,134,827	46,412
Gift Fund Account	332,791	381,944
Western Australian Branch Account	7,019	12,808
NAB Term Deposit	250,000	-
CBA - Cash Deposits No 2	10,914	10,766
	<u>1,735,551</u>	<u>451,930</u>
4 Trade and other receivables		
CURRENT		
Trade receivables	<u>401,528</u>	-
5 Other current assets		
GST receivable	-	1,630
Franking credits receivable	16,328	11,001
Distribution receivable	-	61,235
Prepayments	611,337	6,500
Other receivable	139,712	465,000
	<u>767,377</u>	<u>545,366</u>
6 Property, plant and equipment		
Strata property unit, at cost	-	-
Strata property unit, at valuation	-	800,000
Office equipment, at cost	91,797	51,097
Less accumulated depreciation	(91,797)	(51,097)
Total office equipment	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>-</u>	<u>800,000</u>
7 Other financial assets		
NON-CURRENT		
GSJBW Managed Account		
Cash	2,024,780	1,154,283
Fixed Interest	764,544	1,378,142
Domestic Equities	633,532	519,565
International Equities	1,592,120	1,532,586
Alternative Investments	260,550	-
Investment in unlisted entity	173,479	-
	<u>5,449,005</u>	<u>4,584,576</u>

The Mary MacKillop Foundation Limited

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Notes to the financial statements for the year ended 30 June 2018

	2018	2017
	\$	\$
8 Trade and other payables		
CURRENT		
Payables	(418)	20,413
Accruals	114,390	22,464
Deferred income	51,500	200,000
	<u>165,472</u>	<u>242,877</u>

9 Borrowings

CURRENT		
Bank loans (i)	<u>173,479</u>	-

(i) The loans are advanced to approved applicants on a no interest basis repayable over a maximum term of eighteen months, subject to the approval of any variation in the term by the Board.

10 Provisions

CURRENT		
Holiday leave accrual	14,572	10,732
Long service leave	19,317	5,381
	<u>33,889</u>	<u>16,113</u>
NON-CURRENT		
Long service leave	<u>1,987</u>	-

11 Cash flow information

Reconciliation of cash flow from operations with profit after income tax

Net profit for the year	1,401,224	465,885
Non cash flows in profit		
Depreciation	5,141	1,692
Income on investments	(820,542)	-
Changes in assets and liabilities		
(Increase) / decrease in trade and other receivables	(401,528)	1,000
(Increase) in other current assets	(222,011)	(260,506)
(Decrease)/ Increase in trade and other payables	(59,629)	113,552
Increase in provisions	1,987	-
Cash flows (used in)/ provided by operating activities	<u>(95,358)</u>	<u>321,623</u>

12 Capital management

Management controls 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.

13 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 \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$500 (2017: \$500).

The Mary MacKillop Foundation Limited

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Notes to the financial statements for the year ended 30 June 2018

14 Entity details

The registered office of the company is:

The Mary MacKillop Foundation Limited
Level 5, 12 Mount Street
North Sydney NSW 2060

The principal place of business is:

The Mary MacKillop Foundation Limited
Level 5, 12 Mount Street
North Sydney NSW 2060

15 Subsequent Events

Subsequent to the reporting date of 30 June 2018, Mary MacKillop International, Mary MacKillop Foundation and Josephite Foundation have merged into a consolidated company trading under the name Mary MacKillop Today.

The Mary MacKillop Foundation Limited

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Directors' declaration

In accordance with a resolution of the directors of The Mary MacKillop Foundation Limited, 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:

1. 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:

- a. comply with Australian Accounting Standards (including the Australian Accounting Interpretation) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- b. give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial

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



Director (Chair)

Dated: 22/11/18.



Director

Dated: 22/11/2018

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT To the Members of Mary MacKillop Foundation Limited

Opinion

We have audited the financial report of Mary MacKillop Foundation Limited ('the registered entity'), which comprises the statement of financial position as at 30 June 2018, 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 declaration by those charged with governance.

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 2018 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.

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. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



C J HUME

Partner

Dated: 22 November 2018
Sydney, NSW