



Find
Happiness
in Making
Others
Happy



Annual Report **2015-16**



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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 signatory to the ACFID Code of Conduct, which is a voluntary, self-regulating sector code of good practice. As a signatory we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity.

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-ofconduct/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 2060 or send an email to info@mmi.org.au

Message from our Chair



Dear Friends

This report outlines the many strengths of MMI, working among some of the poorest people in the world.

This year marked the first year of implementation of the MMI 5 year Strategic Plan. The plan was developed to ensure that between 2015-2019 MMI will become a more robust and sustainable agency secure in its Catholic identity and with effective programs that serve the poorest and most marginalised.

The year has borne witness to some significant achievements – the growth in MMI's income, the expansion of our programming in Peru through our schools violence and livelihoods programs and the first steps of our planning to reconnect with PNG. The achievements are the result of the hard work and dedication of all of our staff, including our CEO, Kirsty Robertson and the faithful accompaniment of our supporters – I wish to thank them for their commitment and contributions.

This year also saw some changes in the membership of our Board. Margaret Fyfe, Paul Gavazzi and Suzanne Sticovich resigned from their board positions and I take this opportunity to thank them for their service. We also welcomed Paul Field and Grahame Petersen to our Board and we look forward to their involvement in our organisation over the coming years.

As we look to the future may we continue to serve and uphold the dignity of all those with whom we are privileged to work and find “happiness in making others happy”.

Regards

A handwritten signature in black ink that reads "John Watkins". The signature is written in a cursive style with a large, sweeping initial 'J'.

The Hon. John Watkins AM

YEAR AT A GLANCE

In Timor-Leste, MMI:

- Trained 190 pre-primary and primary school teachers in Tetum Literacy, providing them with the skills and knowledge to deliver quality education to 3,631 children.
- Distributed 15,940 Tetum story books and resources.
- Trained 150 teachers in Health Literacy, who went on to deliver quality preventative health education to over 4,542 children.
- Trained a total 68 parents and caregivers from rural and remote communities on how to deliver preschool education for their children.
- Ran weekly music classes with over 1,565 pre-primary and primary students at local schools in Dili to provide children with a creative space to express themselves.

Message from our CEO



Dear Friends

Over the past year we have continued to grow MMI into an organisation with a wealth of resources to fight global injustice. Our performance financially and programmatically continues to exceed expectations with staff driven to excel by their commitment to accompany the poor and marginalised.

This report demonstrates the range of work that is made possible by them and the generosity of so many people across Australia; our regular supporters, the customers of our Fair Trade company, Ethica, our volunteer parish speakers and our corporate partners to name a few. Our donations

from individual supporters, corporates and foundations increased significantly this year. It is these funds which allowed us to distribute nearly 16,000 Tetun literacy books and assist the teachers of approximately 9,000 students in Timor-Leste to gain skills in literacy, classroom management and child protection. These funds also allowed us to improve access to health services for over 500 people in Peru.

I take this opportunity to thank the MMI Board for the contribution they have made to MMI's mission this year and in particular to our Board Chair, John Watkins. Together we are contributing in very practical ways to making a difference in the lives of our brothers and sisters overseas.

Warm regards

A handwritten signature in black ink that reads "K. Robertson". The script is cursive and elegant.

Kirsty Robertson

"Oh, how I would like
a poor Church, and for
the poor."

- Pope Francis

In Peru, MMI:

- Trained 122 student leaders and 88 teachers in school mediation and conflict resolution to combat school violence, contributing to the creation of safe learning environments for more than 1,500 children.
- Improved access to essential health services for 522 people living in informal settlements in Lima, including 106 children with a disability.
- Provided training for 29 women in rural or low-income urban communities in business planning, small business management and marketing.

Our principles

MMI believes that change in communities is not only as a result of program activities but also of the principles that are embedded in our projects. The core principles of Mary MacKillop International are grounded in Catholic Social Teaching and the life of Mary MacKillop. These principles are Human Dignity, Common Good, Participation and Subsidiarity, and Option for the Poor.

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

The Tetun Literacy and Teacher Training program in Timor-Leste provided training for 190 pre-primary and primary school teachers, providing them with the skills and knowledge to

reach their full potential as teachers and deliver quality education to 3,631 students in the classroom. After attending the training, a total of 72.1% of teachers increased their knowledge on how to deliver the education program in the classroom, and 96.1% of the teachers who received monitoring were delivering the program at a high standard.

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

Through the Peru Women's Livelihoods Project 83% of women in participating groups increased their knowledge of human rights

and citizenship as a result of the training, while 63% of women in participating groups have increased their knowledge of leadership and conflict resolution. With a focus on collaboration, the personal development training aimed to build community and overcome divisions.

“(These workshops) have led to changes in my way of being, in the way I express my thoughts and feelings. I have lost the fear. As Vice President they have taught me that I can better fulfil my role...to improve the relationship with others in our Association.”
– Victoria, Vice-President Puka Phallcha Association, Peru



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 School Peace project in Peru adopts a community-led approach, promoting the active and central role of students, teachers and parents in combatting violence in schools and in the community. This year 88 teachers

were trained in the School Peace program, of which 90.5% increased their knowledge in the identification and management of school violence and 80% went on to implement violence prevention and management strategies with their students. Participating teachers reported feeling empowered by their new role in combatting violence in their school community, demonstrating the importance of this participatory approach.



Option for the Poor

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

- Reach the poorest and most marginalised

This year, MMI focused the majority of its programming in Timor-Leste in 3 rural and remote areas; Viqueque, Maliana and Faterbeliu.

97% of all the teachers, parents and caregivers who participated in MMI's development projects in Timor-Leste this year were from rural areas.

“My dream for women in my community is that we can all come together regularly and share information about our teaching together so we can learn from one another.”

– Julmira, Health Literacy Program participant, Viqueque, Timor-Leste

Education

Recognising the important role that education plays in development, MMI has a range of educational projects both in Timor-Leste and Peru.

This year in Timor-Leste, MMI continued to run its flagship Tetum Literacy and Teacher Training program, providing teachers with the skills and knowledge to approach the national curriculum with creativity and innovation and provide quality Tetum literacy education to their students. As part of this program, MMI distributed 15,940 Tetun language storybooks to teachers to use in the classroom, and continued to support 28 Volunteer Teachers through training and financial support. MMI's Music for Life program trained 120 teachers in how to use music as a tool for learning in the classroom, 100% of who increased their knowledge on music education after attending the training and 98% of who were delivering

the program at a high standard during the follow-up monitoring. MMI also provided 48 schools with music instruments and ran weekly music lessons for 3,224 students so they have a creative outlet to express themselves through music. The provision of resources together with training allowed teachers to build long-term skills in their profession and achieve something they are proud of, contributing to long-term education outcomes in Timor-Leste.

Many children from rural areas in Timor-Leste do not have learning opportunities in the early years of life due to preschool locations being far from their home or non-existent preschool services in their communities. This year, MMI's Parents Program in Timor-Leste set up individual family models of pre-school education in three extremely rural and remote communities in Ermera, where the terrain is





Photograph: Katie Moore

As part of this program, MMI distributed 15,940 Tetun language storybooks to teachers to use in the classroom, and continued to support 28 Volunteer Teachers through training and financial support.

mountainous and children are often unable to access pre-school. MMI trained a total 68 parents and caregivers on how to deliver preschool education for their children, 100% of who were able to apply their knowledge and skills in the home sessions after receiving the training. These caregivers delivered the home sessions to 84 children, and 98% of these children improved their pre-literacy and pre-numeracy skills after receiving the lessons. By providing children with the opportunity to access quality education in some of the most rural and remote locations in Timor-Leste, MMI is ensuring that our program can follow in Mary MacKillop's footsteps and provide education to the poorest and most neglected parts of God's vineyard.

In an effort to create safe and effective learning environments for school students in Peru, MMI partnered with local NGO Centro de Educación, Organización y Promoción del Desarrollo Ilo (CEOP Ilo) in the development of a School Peace Program. Through this project, 122 student leaders were trained in conflict resolution, peer mediation and

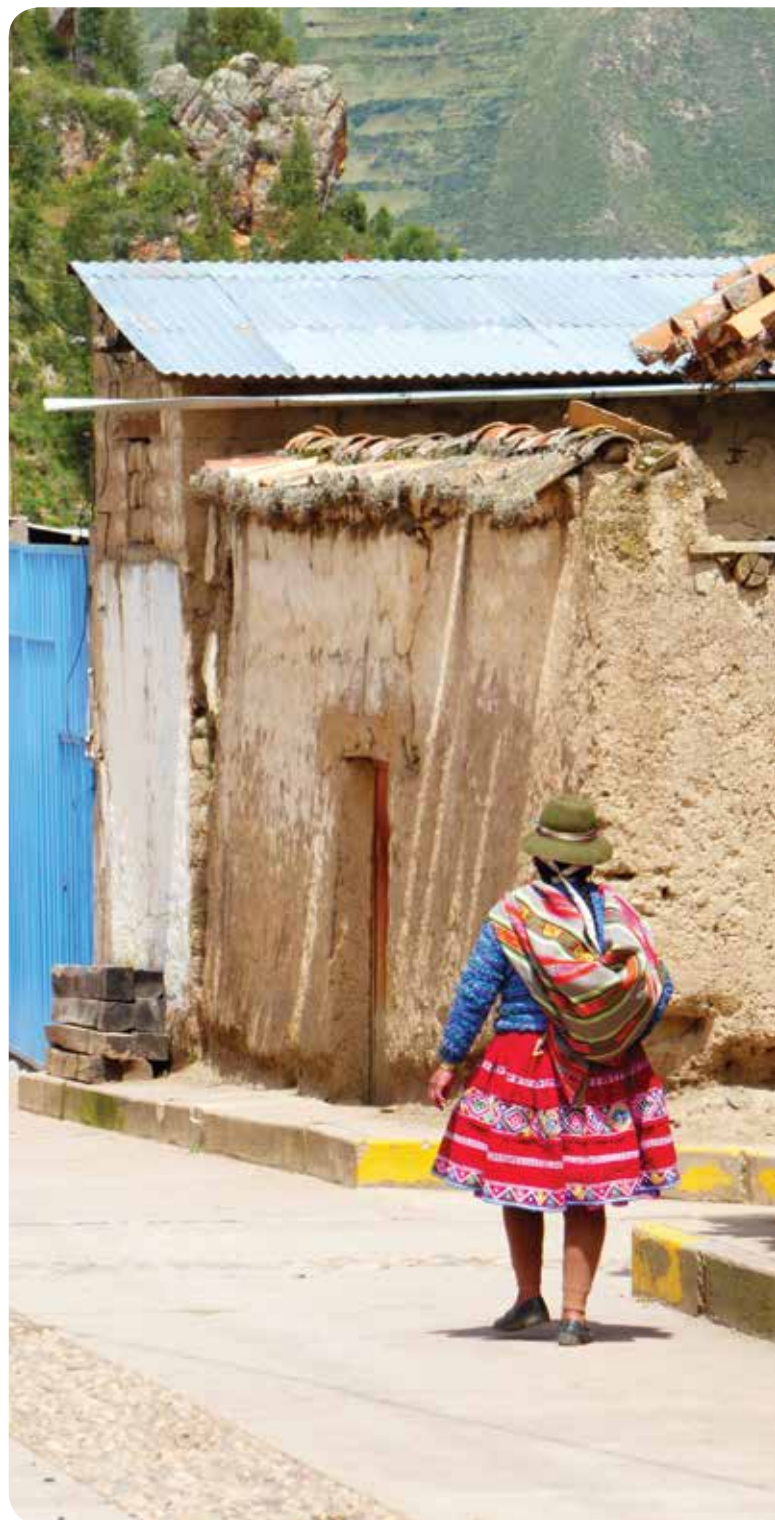
advocacy, of which 80.2% demonstrated increased skills in school mediation as a result of their training. 66 students graduated as School Mediators with the remaining 56 supporting them as School Peace Promoters within newly established School Mediation Committees. Using these skills, the student leaders conducted awareness raising activities which reached 95% of enrolled students across the two participating schools, and 55% of these students went on to participate in the activities and services initiated by the School Mediation Committees. Through this program, children and teachers developed skills that they can be proud of, and that can contribute to promoting the rights and dignity of other members of their school community. Recognising the importance of engaging families and the broader community in violence prevention, the project also included 2 'Family Engagement Days' during which approximately 500 parents participated in student led activities and lessons to raise awareness about the importance of safe learning and home environments for children.

Health

Recognising the fundamental right of all people to be able to enjoy good health, MMI has a range of Health Projects in both Peru and Timor-Leste.

The Timor-Leste Health Literacy project contributed to improving the long-term health outcomes in target communities, by training teachers on how to teach basic preventative health in the classroom. MMI delivered the health training to 150 teachers from two rural and underserved communities in Timor-Leste, who went on to deliver the project to over 4,542 students. A total of 98.6% of teachers increased their knowledge on how to effectively implement the health program after attending the training, and 100% of teachers were delivering the lesson at a high standard during follow-up evaluation. This year, MMI also trained 40 community members on the importance of nutrition and how to grow and make the Marungi supplement to help combat malnutrition among children. Increasing awareness and knowledge on health and hygiene practices will go far beyond benefiting just the teachers and students involved, but will provide positive long-term impacts to the wider community.

In Peru, access to health services for children and adults with a disability is limited and many families are not aware of the importance of such services in improving the psycho-social and physical well-being of people with a disability. The Community Health project in Peru therefore focuses on ensuring children with disability and their families have increased access to allied health services and life-skills training opportunities. Working in informal settlements on the outskirts of Lima, this project has ensured that 522 people with disability or significant mental health needs have had increased access to allied health services such as physiotherapy, language therapy and life skills workshops, including 106 children with a disability. The project also aims to educate and support parents and caregivers of children with a disability through regular consultation and capacity development workshops. This included a targeted



workshop for 18 fathers and male caregivers to encourage more equitable division of caring responsibilities within households by empowering men to be active in the health and well-being of their children.



Livelihoods

This year MMI piloted an integrated Women's Livelihoods project which provided capacity building opportunities for women's associations supplying products to our Fair Trade organisation, Ethica Accessories. The Women's Livelihoods project focuses both on economic development and the improvement of productive capabilities through training in business planning and management, basic accounting and cost-setting, but also focuses on the social and political development of participants and their communities through leadership, conflict resolution, and rights and citizenship training. This program aims to ensure the ongoing economic sustainability of these supplier organisations, identify alternative markets for the sale of their products and promote the active participation of group members in leadership and decision-making roles within their associations, families and broader community.

MMI's in-country partner, Centro de Promoción Social de Solidaridad para el Desarrollo, conducted a participatory situational analysis with members of the Puka Phalcha Women's Association in Pitumarca and the Kailla Kipu Association in Lima from July – October 2015. 41 members of these associations participated in a range of activities including focus groups, interviews and participatory workshops designed to identify the key strengths and

learning priorities of these organisations.

These findings formed the basis of the 3-year Women's Livelihood project developed with ongoing feedback, input and ideas from project participants.

This year, the two associations received ongoing mentoring and support to improve their governance and management structures, develop organisational charts, and establish position descriptions for all directors, associates and workers. 29 women participated in training workshops on small business management including key topics such as business plan development, customer relations, marketing, organisation and governance, cost structuring and networking.

30 women participated in human rights and citizenship training with a particular focus on democratic rights in the lead up to the 2016 Peruvian presidential elections. Prior to the training, many women reported that they had never voted before, and that they were not aware how to vote, what identification was needed or how people with low or no literacy could participate in the election. The training therefore provided vital information which ensured participants could exercise their right to political participation, while also providing a clear framework for women to understand and exercise their rights in other aspects of their lives.

Evaluation Report: Timor-Leste Tetun Literacy and Teacher Training program

MMI is committed to conducting regular external program evaluations to help us understand the difference we are making in the communities we serve and to improve our work in the future.

Below is a summary of the findings and recommendations that were determined in this year's evaluation of MMI's Mai Hatene Tetun literacy program. This program is a systematic program for teaching literacy in Tetun in pre-primary and primary schools in Timor-Leste. The program is supported with teachers manuals, books and other resources for children and teachers from pre-school to grade 6.



Photograph: Katie Moore

ACHIEVEMENTS OF THE TETUM LITERACY PROGRAM, 2002-2014

- The Mai Hatene Tetun Program has trained approximately 1,676 pre-primary, basic education (primary), pre-secondary, and community-based teachers, from approx. 369 schools (public, Catholic, and community schools) in all 13 districts of Timor-Leste.
- By 2010, MMI had trained approximately 10% of the total number of primary teachers in-country.
- From 2000-2014, 56% of teachers trained were from the districts and 44% were from Dili.
- Of the approx. 1,355 pre-primary and basic education teachers trained in all 13 districts in Timor-Leste approx. 41% of teachers taught in public schools and 59% of teachers taught in Catholic schools.
- Resources were provided to teachers attending MMI training including Tetun Teachers' Manuals for pre-primary to Grade 6; over 155 children's Tetun storybooks produced and distributed for pre-primary to grade 6 students; games; didactic learning materials for math and literacy such as flash cards and wooden puzzles; and Tetun and picture dictionaries.
- 24 of the MMI books were adopted by the MoE in 2015 to be included in the new curriculum.
- MMI has been delivering overall quality training to teachers in Timor-Leste at both the pre-primary and basic education levels and has supported local-level education sector quality improvements beyond its aims to provide quality Tetun literacy instruction.



Photograph: Katie Moore

KEY RECOMMENDATIONS

- In-classroom monitoring of teachers, is in high-demand from the Ministry of Education however, the current monitoring model where MMI trainers travel from Dili to conduct this is high-cost. Therefore, MMI should consider shifting its teacher training and monitoring model from a Dili-based model to a field-based model to ensure efficiency, increase cost-effectiveness and enable more time spent in schools and classrooms with teachers.
- MMI's children's story-books and teacher's manuals are not fully aligned with the Ministry of Education's revised curriculum. MMI should identify, through a consultative process with government and development partners, targeted needs for in-service teacher training that is aligned with the revised Ministry of Education curriculum.
- MMI should discontinue use of MMI's current teacher training manuals as they are duplicative for teachers who now have a curriculum to work from;
- MMI has excellent relations with Ministry of Education & development partners. However, MMI should conduct increased government and development partner advocacy in order to improve government and partners' knowledge and understanding of MMI's activities; promote collaboration between partners and MMI; and ensure MMI's efforts are supplementary and fit-for-purpose, not duplicative.

Re-engaging with PNG



It is estimated that about 955,500 people in PNG are currently living with disability and do not have access to sufficient education or support.

The five Diocesan Josephite groups of Perthville, Goulburn, Tasmania, Lochinvar and New Zealand were active in Papua New Guinea from 1964 to the early-2000s. In addition to their work in schools, the Sisters also worked with adults, providing much needed medical assistance and training in literacy. As a result of the Strategic decision for MMI to expand its operations into additional countries, in February 2016 a visit was undertaken by the MMI CEO, Kirsty Robertson, MMI Project Officer, Sophie Jenkins and Sr Kathy Jennings, who had previously spent considerable time in PNG. They went to see if there was still an opportunity for the Josephites, through Mary MacKillop International, to contribute to the future development of PNG.

The need today in PNG remains great. Papua New Guinea is the largest Pacific Island nation and is home to a diverse population of 7.5 million people with approximately 850 indigenous languages. Formal education was

only established relatively recently in many parts of PNG, and its reach is limited. The average level of formal education for adults in PNG is only 3.9 years, and while the official adult literacy rate is 52 per cent, anecdotal evidence from NGOs and civil society groups in PNG suggest the actual figure is much lower. Children with a disability face additional challenges in accessing education. It is estimated that about 955,500 people in PNG are currently living with disability and do not have access to sufficient education or support.

As a result of this scoping trip the decision has been made that from July 2016 Mary MacKillop International will be continuing the legacy of the Josephites in PNG. MMI will do that by working through a partnership to assist in the provision of community-based health and education to children who live in remote areas, particularly those with a disability.



Non- Development Programs

In addition to MMI's core development work, we also run small-scale non-development projects which address immediate needs in the communities where we work. Such activities

include supporting aged-care programs, homework centres and youth groups in Peru, and supporting primary and tertiary students to complete their education in Timor-Leste.

Ethica Accessories

The importance of each dollar that is spent purchasing goods from our Fair Trade company, Ethica Accessories, cannot be overstated. The women who sew, knit and crochet to create our beautiful products benefit in ways we can't even imagine including paying for their children to attend school, buying medicines, and even building toilets.

Ethica was this year present at conferences, markets, corporate offices, the Home and Giving Fair and at a number of schools and parishes. In addition to these sales opportunities Ethica also organised two main events – a high tea and a trivia night with over 200 people in attendance. These events and sales directly benefitted over 100 women in Peru.

These women were truly inspiring.

In Australia – Adeline

I have bought jumpers, ponchos, scarfs, socks, and Christmas decorations.

I have bought from Ethica because it was inspiring to learn that my contribution helped to educate women in Peru. In doing so, the women were providing food and paying bills for their families. It made them proud and confident women to be able to do this.

I was especially moved when I went to one of Ethica's events and heard a live feed from a sister as well as the women who made some of the products that I have bought.

These women were truly inspiring.

Besides helping the women in these villages, I am also getting good quality and it is obvious that these women have pride in what they make to sell. My family have used Ethica's products in extreme winters including in sub-zero temperatures in Japan and Europe.

We believe in the products and will continue to purchase them.



In Peru - Valentina Quispe

Valentina is an outstanding knitter; she makes the beautiful alpaca scarves and beanies. She has been able to earn an independent income to support herself and her family, while also learning skills in production, design, marketing, small business management and leadership.

Valentina has been a member of the Puka Phallcha association for 12 years, and has served as the President, Secretary and Treasurer of the association.

Through these roles, Valentina has come to know her own potential to be a leader, not just in the association, but in her community. She now understands that men and women are equal, and should be given equal opportunities to work, to education and to roles in local leadership. These are amazing achievements in any context; however they are made even more so when you consider that Valentina never even finished school.

However the most important change is that the additional income provided through Ethica will allow her 17-year-old son to complete his high school education at the end of this year. Thanks to his mum's hard work and income, he will now have opportunities that his parents never did, demonstrating that when women have equal access to employment and education, their entire family and their community can benefit.



Our Staff

MMI's offices in North Sydney, Australia and in Dili, Timor-Leste provide a people centred workplace with a focus on learning and development to ensure that each staff person realises their full potential.

At June 30th 2016 there was 9 staff at the MMI Australia office of which 6 are part-time. There were also 24 staff in the Timor-Leste office, 16 men and 9 women. There was one Sister of Saint Joseph, Sr Nola Goodwin, working with MMI in Timor-Leste during this period.

MMI staff participated in various job specific trainings this year to develop their skills and broaden their knowledge. This investment in each individual staff person is considered a vital part of our contribution to the development of each person's full potential. MMI staff, both in Australia and in Timor-Leste also were invited to a two day retreat in which we explored Mary MacKillop's story, built personal relationships and took time out of our day-to-day work to appreciate the achievements of the year.



There is a beautiful Mary MacKillop saying "Gratitude is the memory of the heart"- and these two women have brought beautiful memories to the hearts of thousands.

Farewell to Sr Irene and Sr Rosita

In December 2015, MMI staff and supporters farewelled Sr Irene Macinante and Sr Rosita Kiss and thanked them for their contribution to our ministry. All over Timor-Leste children are reading books that they helped develop and teachers are using manuals that they wrote. As a result, thousands of Timorese children will have a future full of hope and grounded in good education. In Australia, Sr Irene and Sr Rosita have inspired the next generation of lay staff at MMI with their faith, their work ethic and their passion for service.

There is a beautiful Mary MacKillop saying "Gratitude is the memory of the heart"- and these two women have brought beautiful memories to the hearts of thousands throughout Timor-Leste and Australia - we remain truly grateful for their contribution to the MMI story.

Our Dedicated Supporters



In total, our dedicated schools provided over \$80,000 in income this year for the work of Mary MacKillop International and MMI staff visited 11 schools during the year.

So many people have supported the mission of MMI this year, including hundreds of individuals, dozens of schools and parishes and our dedicated and loyal trusts & foundations and corporate supporters.

MMI hosted a number of events this year including the visit of our Country Director from Timor-Leste, Alipio Baltazar, an evening with His Excellency, Jose-Ramos-Horta at Mary MacKillop Place and a High Tea in Sydney to celebrate the 150 years of the Sisters of Saint Joseph. The visit of His Excellency Jose Ramos-Horta was a highlight of the year with over one hundred people filling the Old School House building at Mary MacKillop Place - a fitting venue to celebrate the work of the Sisters and lay-people in building up skilled teachers in Timor-Leste over the last two decades. Dr Ramos-Horta spoke of the challenges his people still faced, a young country of only 16 years, and whilst much had been achieved, the future is in the hands of the children - the next generation of leaders.

Our Country Director from Timor-Leste, Alipio Baltazar, travelled to Bega on the south coast of NSW, with Sister Irene Macinante who was returning back to a previous home. MMI was

warmly welcomed by the Bega community as we travelled to schools, parishes and community organisations to share the story of MMI in Timor-Leste. We thank the Bega community as a whole, who have worked tirelessly all year to support MMI's Mobile Learning Centre which will provide much needed resources and programs for the poorest children in and around Dili.

Our new parish appeals program has allowed the mission of Mary MacKillop International to be shared with thousands of people in parishes across Australia. A total of 27 parishes held Feast day appeals for MMI this year providing over \$56,000, and most importantly, sharing the messages from those serving at the grass-roots with our friends and partners. Our thanks to our friends in the parishes including so many wonderful Parish Priests and Secretaries for your support this year.

In total, our dedicated schools provided over \$80,000 in income this year for the work of Mary MacKillop International and MMI staff visited 11 schools during the year.

Our heart-felt thanks to these and all our dedicated, faith-filled supporters whose prayers and sharing make our work possible.



“The measure of the greatness of a society is found in the way it treats those most in need.”

- Pope Francis

Mary MacKillop International (Limited by Guarantee)

ACN 159 091 737

Audited Financial Statements for the year ended 30 June 2016

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Directors' report

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

Directors

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

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

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

Principal Activities

The principal activities of the company during the financial period include:

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

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

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

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

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

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

Directors' report

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
Grahame Petersen	—	Director (Appointed 20 January 2016)
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: Audit and Risk Committee
Paul Field	—	Director (Appointed 7 December 2015)
Qualifications	—	Dip. Teaching, Cert.RE
Experience	—	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.
Anne Craven	—	Director
Qualifications	—	LLB(Hons) LLM
Experience	—	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.
Special Responsibilities	—	Member: Audit and Risk Committee

Directors' report

Information on Directors (continued)

Marion Gambin rsj	—	Director
Qualifications	—	Dip T, BA Grad Dip RE, Med (RE)
Experience	—	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.
Noelene Quinane rsj	—	Director
Qualifications	—	M. Catholic Ed; M. Ed.Admin
Experience	—	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.
Anthony Abraham	—	Director
Qualifications	—	B.Ec, LLB
Experience	—	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.
Special Responsibilities	—	Chairperson: Audit and Risk Committee
Margaret Fyfe csb	—	Director (Resigned 7 December 2015)
Qualifications	—	Grad Dip Educ, Grad Dip RE, Grad Dip Social Justice
Experience	—	Margaret started her working career working in in Primary Education, teaching and administration of Catholic Primary schools in Victoria and South Australia. Margaret then went on to study community development and Hispanic studies in the USA, Mexico and Bolivia. She completed study in Theology and social justice at the Yarra Theological Union in Melbourne. Margaret spent 5 years as Administrator of Caritas de Xalapa in the State of Veracruz, Mexico where she was responsible for their community development programs, health and legal services. Margaret joined Caritas Australia in 2000 as the Director of the Melbourne office and Programs Coordinator for the Latin American region. October 2013 Margaret concluded time with the Programs team and is currently the Regional Engagement Coordinator for S.A., TAS & VIC.

Directors' report

Information on Directors (continued)

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

Board Meetings

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

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

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

Members Guarantee

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

Indemnifying Officers or Auditor

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

Directors' report

Proceedings on Behalf of the Entity

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

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

Australian Council for International Development

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


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

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

Auditor's independence declaration


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

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



John Watkins
Director

Dated: 20/10/16



Marion Gambin
Director

Dated: 20/10/16

RSM Australia Pty Ltd

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AUDITOR'S INDEPENDENCE DECLARATION

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

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

A handwritten signature in blue ink that reads 'Rsm'.

RSM AUSTRALIA

A handwritten signature in blue ink that reads 'C J Hume'.

C J HUME
Director

Sydney, New South Wales
Dated: 20 October 2016

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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

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

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

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2016

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

The accompanying notes form part of these financial statements.

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

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

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2016

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

The accompanying notes form part of these financial statements.

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

1 Summary of significant accounting policies

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

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

Basis of preparation

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

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

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

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

Accounting policies

a. Revenue

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

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

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

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

b. Plant and Equipment

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

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

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

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

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

1 Summary of significant accounting policies (continued)

b. Plant and Equipment

Depreciation

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

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

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

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

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

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

c. Financial Instruments

Recognition and Initial Measurement

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

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

Derecognition

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

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

1 Summary of significant accounting policies (continued)

c. Financial Instruments (continued)

Classification and Subsequent Measurement

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

(v) Financial liabilities

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

Impairment

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

d. Impairment of Assets

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

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

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

e. Employee Benefits

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

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

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

1 Summary of significant accounting policies (continued)

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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

h. Income Tax

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

i. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j. Critical Accounting Estimates and Judgments

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

Key estimates — Impairment

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

k. Contributions Received - Non-monetary

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

l. Comparatives

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

m. New Accounting Standards for Application in Future Periods

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

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

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

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

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

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

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

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

7 Capital Management

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

8 Entity Details

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

Mary MacKillop International
9 Mount Street
North Sydney NSW 2060

9 Remuneration of Auditor

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

10 Members Guarantee

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


Directors' declaration

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

The directors of the company declare that:


- a. The financial statements and notes, as set out on pages 9 to 19, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - i. comply with Australian Accounting Standards; and
 - ii. give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
- b. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



John Watkins
Director

Dated: 20/10/16



Marion Gambin
Director

Dated: 20/10/16

RSM Australia Pty Ltd

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MARY MACKILLOP INTERNATIONAL LIMITED

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

Responsible Persons' Responsibility for the Financial Report

The responsible persons of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commissions Act 2012* (ACNC Act) and for such internal control as the responsible persons determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the registered entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the responsible persons, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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

Opinion

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

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

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA

A handwritten signature in blue ink that reads 'C J Hume'.

C J HUME
Director

Sydney, New South Wales
Dated: 20 October 2016



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