

MARY MACKILLOP
today



Mary MacKillop Today

ABN 88 808 531 480

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

Directors' Report	1
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Cash Flows	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13-31
Directors' Declaration	32
Chairman's Declaration	33
Auditor's Independence Declaration	34
Independent Auditor's Report	35-37

Mary MacKillop Today
ACN 159 091 737

Directors' report

The Directors present their report on Mary MacKillop Today (the 'Company') for the financial year ended 30 June 2020.

Directors

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

Honourable John Watkins AM	Chairperson, Resigned 30 Jan 2020
Kieran Gleeson	Appointed 9 Aug 2019, Chairperson, effective 26 March 2020
Anthony Abraham	
Kate Barnett	
John Collins	
Sr Sheila McCreanor	
Grahame Petersen	
Yvonne Butler	Appointed 9 August 2019, Resigned 17 March 2020
Hilary Johnston-Croke	Appointed 11 March 2020

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

Information on directors

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

Honourable John Watkins AM	Chairperson (Resigned 30 Jan 2020)
Qualifications	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 served 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.
Kieran Gleeson	Chairperson (effective 26 March 2020)
Qualifications	Fellow of the Institute of Public Accountants; Associate Fellow of the Australian College of Health Service Executives
Experience	Kieran has been a successful senior manager in complex organisations in the public sector, at both Commonwealth and State level; in the private sector and internationally. In the senior management position, he has embraced the role of leader and

change manager. Kieran has extensive experience in the implementation of Government strategic goals in a practical, results driver manner. He has successfully led large organisations during periods of significant restructuring. This is evidenced through his career as CEO in the NSW Health system, as the Chief Operating Officer in the Defence Support Group, as a First Assistant Secretary in Climate Change and as the National Director of Corporate Services for Calvary Health Care. Kieran has also led large Australian Aid Funded Projects in Papua New Guinea and Fiji. He has a demonstrated capacity for mentoring and coaching senior managers, both at a domestic and international level.

Anthony Abraham
Qualifications
Experience

Chairperson of the Audit, Finance and Risk Committee
BEC, LLB
Anthony has a background in funds management, corporate finance, tax, accounting, and finance. 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. Anthony has been involved in boards and finance committees for parish and schools in the past.

Grahame Petersen
Qualifications
Experience

Member of the Audit, Finance and Risk Committee
BA F Fin FAJCD
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.

Hilary Johnston-Croke
Qualifications
Experience

Director (Appointed 11 March 2020)
B. Sc (Hons), PGCE Education, M.Ed, Grad Dip (Theology), GAICD
Hilary has an extensive background in education and business. A scientist by training, she is a highly respected and experienced educator. Hilary was Principal and CEO of one of Australia's leading independent schools, Kincoppal-Rose Bay, School of the Sacred Heart, and Principal at Catherine McAuley at Westmead. Hilary is highly skilled in corporate governance, financial management, strategic thinking, and leadership mentoring, more recently lending her expertise and guidance to number of boards as a non-executive director and Chair, including the University of Notre Dame, Australia.

John Collins
Qualifications
Experience

Member of the Audit, Finance and Risk Committee
B Com (Hons), CA, CFP
Throughout a 25-year financial service career, John worked for Arthur Andersen (Ernest & Young), Macquarie Bank and

Deutsche Bank. Through these roles John has developed a unique skillset that enables him to deliver innovative and commercial solutions to the complex issues faced by Australia's largest corporates and wealthiest private families. In 2010, John founded Black Pearl Private Clients, a boutique advisory firm that structures merger, acquisition, and value realisation solutions for private business owners, together with succession planning and estate planning strategies.

Kate Barnett
Qualifications

Director
BA LLB (Hons), Dip.Mod.Lang (Chinese) Melb, GradDipCommM UTS

Experience

Over the past 20 years Kate has worked in various roles building enduring and effective programs and teams that contribute significant results in philanthropy, sponsorship, engagement and advocacy. She was the National Executive Director of the Australia China Business Council from 2005-2009 a role which included influencing and informing the national debate on Australia-China relations, and building a strong, and mutually beneficial bilateral relationships. She then worked with the University of Melbourne in various roles leading philanthropic engagement including major gifts fundraising, bequests and donor stewardship events. Kate currently serves as the Chief Executive, of St Vincent's Institute (SVI) Foundation at SVI of Medical Research in Melbourne.

Sr Sheila McCreanor
Qualifications
Experience

Director
Dip T, Grad Dip Ed Admin, M Ed, PhD, JCL, MCL, GAICD, JP
Sheila was a teacher and school principal for close to 25 years at various schools across South Australia. In 2000, Sheila completed her Doctor of Philosophy through the University of South Australia where her thesis explored Sainthood in Australia: Mary MacKillop and the Print Media. Between 2002 and 2014, she acted as the Secretary General for the Sisters of St Joseph and during those years Sheila visited the works of Sisters of St Joseph in Peru, Brazil and Timor-Leste. She has held various Director roles during the last two decades including with Mary MacKillop Care South Australia and the Mary MacKillop Foundation. Sheila is an accredited lawyer in Canon Law and is currently working as a consultant in governance and as an associate archivist.

Yvonne Butler
Qualifications

Director (Appointed 9 August 2019, Resigned 17 March 2020)
BA, MBA (part), Fellow Governance Institute of Australia, Graduate Australian of Company Directors, Fellow Australian Institute of Management, Fellow Australian Institute of Project Management

Experience

Yvonne is an experienced and outcomes oriented senior executive with a proven track record of success in corporate strategy, business consulting, general management, program and portfolio management and professional services delivery, spanning a successful career of more than 25 years working

across public, private and not for profit sectors. She is a former Chief Executive Officer of the Australian Institute of Project Management, a leading not for profit organisation and industry association, and has worked in one of the top 4 global accounting firms, two of the top Australian law firms, an ASX 100 listed company and global consulting practices. Yvonne has deep expertise in strategy execution, governance and risk management and is a passionate advocate for diversity and building capability in emerging economies.

Principal activities

The principal activity of Mary MacKillop Today during the financial year include:

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

No significant changes in the nature of the Company's activity occurred during the financial year.

Objectives

Mary MacKillop Today aims to ensure all people can realise their dignity through life long learning. We achieve this through teacher training and parent education, health literacy and community-based rehabilitation, and vocational training programs in Peru, Timor-Leste, Papua New Guinea and Fiji. From 1 July 2018, Mary MacKillop International and Mary MacKillop Foundation joined together to form Mary MacKillop Today, the new flagship ministry of the Sisters of Saint Joseph. Mary MacKillop Today will continue to work alongside people and communities in Papua New Guinea, Peru, Fiji and Timor-Leste, while also supporting vulnerable Australians through our First Nations Scholarships, Community Grants and Financial Inclusion programs.

The Company's objectives are:

1 Programs and Partnerships

- 1.1 Build on the strengths of all existing programs, guided by our approach and principles including impact, quality and value for money.
- 1.2 Demonstrates our commitment to program quality and learning through the establishment and

ongoing utilisation of a Mary MacKillop Today principles-based program review and effectiveness framework to be applied to all programs.

- 1.3 Identify, scope and cost, expanded and/or new programs and partnership for Mary MacKillop Today in 2019-2023.
- 1.4 Maintain and further develop the Mary MacKillop Today partnership process and strategy.

2 Supporter Relations

- 2.1 Further develop engagement with the Members of the Company, the Congregational Leadership Team, the Josephite Sisters and other related entities.
- 2.2 Develop an ongoing Communication Strategy to:
 - Maintain, develop and expand engaged and committed relationships with supporters, donors, partners and the Catholic and wider communities.
 - Develop and promote greater brand awareness and informed advocacy of Mary MacKillop Today with government, media, regulators and other stakeholders.
- 2.3 Amplify the voice of the marginalised, our beneficiaries and partners relevant to the programs of Mary MacKillop Today

3 Governance

- 3.1 Establish and implement a strategy and plan for Board formation, development and annual review.
- 3.2 Establish a culture enacting the values of Mary MacKillop Today in how the Board engages, maintains its ongoing formation, communicate, manages risk and makes decisions.
- 3.3 Review and establish appropriate 'Terms of Reference' for all Mary MacKillop Today Board committees and other groups involved in fundraising, events, grants, scholarships and other Mary MacKillop Today activities.
- 3.4 Develop guidelines and tools to support Directors' contributions to the Board and broader work of Mary MacKillop Today.
- 3.5 Consolidate and continue to review the governance and management structure and internal arrangements for Mary MacKillop Today.
- 3.6 Build Board diversity with particular focus on the development of a pathway for inclusions of First nations peoples.

4 People and Resources

- 4.1 Design and develop an organisational development strategy focused on enacting the values of Mary MacKillop Today through a workplace culture of subsidiarity, collaboration and trust for all onsite and remote staff.
- 4.2 Establish effective Mary MacKillop Today operational systems for the achievement of organisational goals.
- 4.3 Prioritise the safeguarding of all people involved in our work in particular children and vulnerable adults in line with the standards set out by the Australia Council for International Development and Catholic Professional Standards.
- 4.4 Develop, implement and review a recruitment, staffing formation, diversity, safety and development plan.

5 Financial Sustainability

- 5.1 Development and implement an integrated, transparent and sustainable fundraising strategy that includes diversifying our avenues of donor acquisition and retaining our donor base.

- 5.2 Manage an integrated, sustainable budget including the preparation of audited accounts for the organisation including all services, funding sources and other expenses.
- 5.3 Establish a medium to longer term financial sustainability strategy, with agreed criteria, principles and policies and including costed service plans, investment and fundraising strategies and targets.
- 5.4 Develop and finalise a funding arrangement with the Sister of Saint Joseph.

Strategies for achieving the objectives

The Company is guided by the Strategic Plan 2019-2023 which outlines the key objectives of the organisation over this period as outlined above. In addition to that the Company has a country Strategy for each of the countries in works in and an overarching Learning for Life Strategy which outlines our commitment to focus on education in all its forms.

Performance measures

The Company has key performance indicators which are used as verification of achievement to evaluate Mary MacKillop Today's performance against the key goals in its Strategic Plan 2019-2023. These measures help to ensure alignment between our direction, strategy, funding and capability, such that the objectives of Mary MacKillop Today are achieved.

Contributions on winding up

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 2020, the total amount that members of the Company are liable to contribute if the Company is wound is \$50.

Company secretary

Joanne Lee has held the role of the Company Secretary since 14 December 2018.

Indemnifying officers or auditors

No indemnities have been given, however professional indemnities insurance premiums have been paid, during the financial year.

Proceedings on behalf of the entity

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

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

Australian Council for International Development

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

website for further information.

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

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

New Chairperson

Kieran Gleeson (appointed as Director 9 August 2019) became new Chair of the board. Kieran's first meeting as Chairperson was 26 March 2020.

New Chief Executive Officer

The Directors welcomed new Chief Executive Officer, Jane Woolford on 27 January 2020. Jane has more than 20 years' experience working in the international and Australian not-for-profit sectors. Jane's career has spanned management roles with Caritas Australia and Save the Children Australia as well as experience in the media, teaching and program coordination both locally and abroad. Jane has a special affection for Timor-Leste where she lived and worked on the emergency and humanitarian response efforts following the 1999 referendum.

Meeting of directors

During the financial year, 7 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Honourable John Watkins AM	4	4
Kieran Gleeson	6	6
Anthony Abraham	7	7
Grahame Petersen	7	7
Hilary Johnston-Croke	3	3
John Collins	7	6
Kate Barnett	7	7
Sr Sheila McCreanor	7	7
Yvonne Butler	2	1

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 34 of the financial report.

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

Director:  _____

Director:  _____

Dated this 26th day of November 2020

MARY MACKILLOP TODAY
ABN 88 808 531 480

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
REVENUE:			
Donations and gifts:			
Monetary		2,007,947	1,622,092
Non-Monetary		-	-
Bequests and Legacies		187,727	112,163
Grants:			
Department of Foreign Affairs and Trade		300,000	60,000
Other Australian		229,534	530,220
Other Overseas		133,873	66,572
Investment Revenue from Financial Assets at Fair Value Through Other Comprehensive Income		147,265	264,756
Sales Revenue		136,145	234,011
Other Revenue:			
Interest Revenue from Financial Assets at Amortised Cost		128,160	145,989
Gain on Sale of Property, Plant & Equipment		-	80,584
Other Revenue - Monetary		2,258,629	1,381,795
Other Revenue - Non-Monetary		62,500	-
Total Revenue	3	<u>5,591,780</u>	<u>4,498,182</u>
EXPENSES:			
International Aid and Development Programs:			
International Programs - Development		2,008,657	1,510,153
International Programs - Program Support Costs		409,529	319,438
International Programs - Non-Development Programs		55,980	90,398
Fundraising Costs - Public		1,221,197	742,294
Depreciation and Amortisation Expense		89,790	85,580
Other Expenditure		717,812	555,196
Cost of Sales		71,105	96,224
Domestic Programs:			
Domestic Programs - Development		1,010,842	1,021,152
Domestic Programs - Program Support Costs		134,124	134,273
Foreign Exchange (Gain)/Loss		(36,946)	19,547
Total Expenses	4	<u>5,682,088</u>	<u>4,574,255</u>
(Deficit) for the year		(90,306)	(76,073)
Other Comprehensive (Loss)		(144,720)	(405,137)
Total Comprehensive (Loss) for the year attributable Mary MacKillop Today		<u>(235,026)</u>	<u>(481,210)</u>

The accompanying notes form part of these financial statements.

MARY MACKILLOP TODAY
ABN 88 808 531 480

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	8,365,822	8,446,182
Trade and other receivables	6	348,452	377,496
Other current assets	7	68,639	68,115
Inventories		70,400	73,493
TOTAL CURRENT ASSETS		<u>8,853,313</u>	<u>8,965,286</u>
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income	8	3,032,021	3,207,736
Property, plant and equipment	9	565,371	622,400
Lease assets	10	66,720	-
TOTAL NON-CURRENT ASSETS		<u>3,664,112</u>	<u>3,830,136</u>
TOTAL ASSETS		<u>12,517,425</u>	<u>12,795,422</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	157,085	206,433
Contract liabilities	12	-	47,589
Lease liabilities	10	16,680	-
Provisions	13	179,545	161,098
TOTAL CURRENT LIABILITIES		<u>353,310</u>	<u>415,120</u>
NON -CURRENT LIABILITIES			
Lease liabilities	10	53,459	-
Provisions	13	29,376	63,996
TOTAL NON-CURRENT LIABILITIES		<u>82,835</u>	<u>63,996</u>
TOTAL LIABILITIES		<u>436,145</u>	<u>479,116</u>
NET ASSETS		<u>12,081,280</u>	<u>12,316,306</u>
Retained earnings		4,684,904	4,742,809
Other reserves		7,396,376	7,573,497
TOTAL EQUITY		<u>12,081,280</u>	<u>12,316,306</u>

The accompanying notes form part of these financial statements.

MARY MACKILLOP TODAY
ABN 88 808 531 480

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors/grant providers		5,297,850	4,266,432
Interest and Investment Revenue received		470,891	343,512
Payments to suppliers and employees		<u>(5,836,500)</u>	<u>(4,510,380)</u>
Net cash (used in) / provided by operating activities		<u>(67,759)</u>	<u>3,235,215</u>
Net proceeds from investments		30,723	928,054
Purchase of plant and equipment		<u>(16,081)</u>	<u>(81,556)</u>
Net cash provided by investing activities		<u>14,642</u>	<u>846,498</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayment of lease liabilities		<u>(13,261)</u>	-
Net cash (used in) financing activities		<u>(13,261)</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents held		(66,378)	4,081,713
Effects of foreign exchange rate movements on cash		(13,983)	-
Cash and cash equivalents at the beginning of the year		<u>8,446,182</u>	<u>4,364,469</u>
Cash and cash equivalents at the end of the year	5	<u><u>8,365,822</u></u>	<u><u>8,446,182</u></u>

The accompanying notes form part of these financial statements.

MARY MACKILLOP TODAY
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained earnings	Corpus reserve	Equity - acquisition reserve	Financial assets reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	4,818,882	-	-	-	4,818,882
(Deficit) for the year	(76,073)	-	-	-	(76,073)
Acquisition reserve of Mary Mackillop Foundation	-	-	7,978,634	-	7,978,634
Corpus reserve - transfer from equity reserve	-	4,000,000	(4,000,000)	-	-
Financial assets reserve - transfer from equity reserve	-	-	(398,795)	398,795	-
Other comprehensive income	-	-	-	(405,137)	(405,137)
Total comprehensive income	<u>(76,073)</u>	<u>4,000,000</u>	<u>3,579,839</u>	<u>(6,342)</u>	<u>7,497,424</u>
Balance at 30 June 2019	<u>4,742,809</u>	<u>4,000,000</u>	<u>3,579,839</u>	<u>(6,342)</u>	<u>12,316,306</u>
Balance at 1 July 2019	4,742,809	4,000,000	3,579,839	(6,342)	12,316,306
(Deficit) for the year	(90,306)	-	-	-	(90,306)
Other comprehensive income	-	-	-	(144,720)	(144,720)
Total comprehensive loss	<u>(90,306)</u>	<u>-</u>	<u>-</u>	<u>(144,720)</u>	<u>(235,026)</u>
Transfer realised gains to retained earnings	<u>32,401</u>	<u>-</u>	<u>-</u>	<u>(32,401)</u>	<u>-</u>
Balance at 30 June 2020	<u>4,684,904</u>	<u>4,000,000</u>	<u>3,579,839</u>	<u>(183,463)</u>	<u>12,081,280</u>

The accompanying notes form part of these financial statements.

MARY MACKILLOP TODAY

ABN 88 808 531 480

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: CORPORATE INFORMATION

The financial statements of Mary Mackillop Today (the 'Company') for the year ended 30 June 2020 were authorised for issue in accordance with a resolution of Directors on 26 November 2020.

Mary Mackillop Today is a not-for-profit public company, limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the Company are:

Developing, implementing, administering, managing, coordinating and evaluating programs, projects, initiatives and/or innovations; building capacity through participation, education and training, including within developing countries; Developing skills that foster income generation, including within developing countries; Assisting and empowering groups within communities to meet the needs of their vulnerable, including within developing countries; Educating the Australian community with the aim of increasing its commitment to the Company's purpose; Advocating for and supporting programs that encourage self-determination, including within developing countries; Securing funding and project partnerships with like-minded entities; Undertaking any other activity incidental to or necessary for the furtherance of the purpose of the Company. No significant change in the nature of the Company's activity occurred during the financial year.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New, Revised or Amended Accounting Standards Adopted

The Company has adopted all of the new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

For the year ended 30 June 2020, the Company has adopted the following new Accounting Standards (and their relevant amending standards issued by the AASB):

- AASB 15 Revenue from Contracts with Customers;
- AASB 1058 Income of Not-for-Profit Entities; and
- AASB 16 Leases.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New, Revised or Amended Accounting Standards Adopted (Continued)

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The mandatory date of adoption for AASB 15 and AASB 1058 was 1 July 2019. The Company has elected to apply the modified retrospective approach allowable under the Standards, reflecting the cumulative impact arising from adoption (if any) as an adjustment to opening accumulated surplus at 1 July 2019.

As a result, comparative financial information has not been restated.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

Step 1 – Identify the contract with the customer;

Step 2 – Identify the sufficiently specific performance obligations to be satisfied;

Step 3 – Measure the expected consideration;

Step 4 – Allocate that consideration to each of the performance obligations in the contract; and

Step 5 – Recognise revenue.

The Company has described its new accounting policy below in Note 2(h). The Company has elected to adopt the practical expedient whereby contracts that are considered to be 'complete' (where revenue has been fully recognised in accordance with previous standards) are not adjusted upon the adoption of the new standards.

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the Company to further its objectives. Otherwise, assets acquired are recognised at cost.

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers;
- AASB 16 Leases;
- AASB 1004 Contributions;
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets; and
- AASB 9 Financial Instruments.

A transfer that requires the Company to use those funds to acquire or construct a recognisable non-financial asset to identified specifications; does not require the Company to transfer the non-financial asset to the transferor or other parties; and occurs under an enforceable agreement is recognised income when (or as) the Company satisfies its obligations under the transfer.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New, Revised or Amended Accounting Standards Adopted (Continued)

The Company has completed its analysis of the impacts of adoption and has concluded that there has been no material change to the presentation, recognition and measurement of revenue as a result of the transition to AASB 15 and AASB 1058.

AASB 16 Leases

AASB 16 Leases replaces AASB 117 Leases and has been applied for the first time from 1 July 2019. The accounting policy adopted by the Company from that date is described in Note 2(n). In the previous financial year, lease rentals payable on operating leases were recognised as an expense on a straight line basis over the lease term.

On initial application of AASB 16, the Company has elected to adopt the modified retrospective approach, whereby the lease liability is measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 July 2019. The Company's incremental borrowing rate was 4.5% for property lease and 4.5% for the remaining lease agreements. The right of use asset has been recognised an amount equal to the lease liability, adjusted by the amount of any estimated make good provision at the transition date. As a result, comparative financial information has not been restated.

A material impact has been noted upon initial application of the Standard. The following amounts were recognised as at 1 July 2019 (refer to Note 10 for further details):

	1 July 2019
	\$
Operating lease commitments as at 1 July 2019	74,019
Operating lease commitments discount based on the weighted average incremental borrowing rate of 4.5%	(3,880)
Lease liabilities recognised as at 30 June 2020	<u>70,139</u>
Lease liabilities - current	16,680
Lease liabilities - non-current	53,459
	<u>70,139</u>

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012), the Charitable Fundraising Act 1991, and the Australian Council for International Development (ACFID) Code of Conduct as appropriate for not-for-profit entities.

The financial statements have been prepared in Australian dollars, the Company's functional and presentation currency, rounded to the nearest dollar.

The financial statements have been prepared on a historical cost basis, except for financial assets, which are measured at fair value.

The accounting policies described below have been consistently applied to all years presented unless otherwise stated. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

(b) Financial Assets

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Financial assets at fair value through other comprehensive income are reflected at fair value. Unrealised gains and losses arising from changes in fair value, or on disposal of the financial assets, are taken directly to the financial assets reserve in equity.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or Company of financial assets is impaired. Financial assets are considered impaired when there has been a significant or prolonged decline in the value below initial cost.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, Plant and Equipment

Cost and valuation

Property, plant and equipment are valued at cost, less accumulated depreciation and any accumulated impairment.

Depreciation

Depreciation is charged on a straight line basis, over the estimated useful life, of the following assets:

- Buildings - over 40 years
- Office equipment - over 10 years
- Computer equipment - over 2-3 years
- Motor vehicles - over 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment and are recognised net in the Statement of Profit or Loss and Other Comprehensive Income.

(d) Taxes

Income taxes

Mary Mackillop Today is a non-profit making entity and is exempt from income tax under subsection 50-5 of the Income Tax Assessment Act 1997.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable; and
- Receivables and payables are stated in the Statement of Financial Position with the amount

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of the cash flows arising from investing and financing activities, which is recoverable or payable to, the taxation authority, are classified as operating cash flows.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(f) Impairment of Non-Financial Assets

At each reporting date, assets are reviewed to determine whether there is any indication that an asset is impaired. Where an indicator of impairment exists, a formal estimate of the asset's recoverable amount is made, and where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to recoverable amount. An asset's recoverable amount is higher of its fair value less costs to sell and value in use.

In assessing the value in use of plant and equipment the Company takes into account the depreciated replacement cost of an asset which is the replacement cost of the asset less, where applicable, accumulated depreciation.

An impairment for a non-revalued asset is recognised in the Statement of Profit or Loss and Other Comprehensive Income. However, an impairment for a revalued asset is recognised directly against the investment reserve for the class of asset to the extent that it does not exceed the amount in the investment reserve. Amounts in excess of the reserve are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprised of cash at bank and in hand and short term deposits with an original maturity of twelve months or less. These amounts are stated at the lower of cost and net realisable value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(h) Revenue Recognition

In the previous financial year, revenue recognised in accordance with AASB 118 Revenue was measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, bursary concessions and scholarships. The Company recognised revenue when the amount of revenue could be reliably measured, it was probable that future economic benefits would flow to the Company and specific criteria have been met for each of the Company's activities. All revenue is stated net of the amount of goods and services tax (GST).

This year, revenue recognised under AASB 15 is measured at the amount which the Company expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

The Company has elected not to recognise volunteer services as revenue.

The following specific recognition criteria must also be met before revenue is recognised:

Bequests, general donations and fundraising

Bequests, general donations and fundraising are recognised upon receipt of the cash or goods. Control of a right to receive consideration of the donation is attained, usually evidenced by the receipt of cash.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Revenue Recognition (Continued)

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

JobKeeper and Cash Flow Boost

JobKeeper and Cash Flow Boost payments are recognised when the right to receive the payment is established.

Services Rendered

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends

Control of a right to receive consideration for the investment in assets is attained, and usually evidenced by approval of the dividend at a meeting of shareholders.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of sale.

(i) Trade and Other Receivables

Trade and other receivables are recognised and carried at the original invoice amount less an allowance for expected credit losses. An allowance for expected credit losses is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Trade and Other Payables

Trade and other payables are carried at cost and represents liabilities goods and services provided to the Company prior to the end of the year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Inventories

Inventories are carried at the lower of cost or net realisable value. The cost is the purchase price of the items. The inventory is made up of supplies purchased for educational resources.

(l) Fundraising Activities

As a charitable Institution, Mary Mackillop Today has requirements under the Charitable Fundraising Act 1991. This act prescribes the manner in which fundraising appeals are conducted, controlled and reported in NSW. These are shown in note 21 of the financial statements.

(m) Current and Non-Current Classification

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

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

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

(n) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Company the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the Company recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Company is reasonably certain to exercise and incorporate the Company's expectations of lease extension options.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Leases (continued)

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$5,000 or less) are recognised as incurred as an expense in the income statement.

(o) Foreign Currency Transactions and Balances

Foreign currency transactions

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate.
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

(p) Critical Accounting Judgements, Estimates and Assumptions

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

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Critical Accounting Judgements, Estimates and Assumptions (Continued)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the programs implemented in Australia and internationally, the implementing partner organisations, the countries in which the Company operates, and staffing. There was no significant impact upon the financial statements. However, subsequent to the reporting date, uncertainty exists as to sustaining the anticipated income from public donations. Also, program activities will need to continue to adapt to include health education and other messages with respect to the COVID-19 pandemic.

Employee benefits provision

As discussed in note 2(e), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease Term

The lease term is a significant component in the measurement of both the lease asset and lease liability. In determining the lease term, the full term of each lease has been assessed as the appropriate lease term for calculations under AASB 16. Option periods have not been assessed as to have reasonable certainty to be exercised, and have therefore not been taken into account when determining the lease period.

Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Fair Value of Investments

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date; Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Correction of Prior Period Error

During the 2016 financial year, a bequest of \$536,404 was received by the Company. The bequest was not recognised as revenue when it was received, and was instead incorrectly recognised as a liability. Opening retained earnings at 1 July 2018 in the Statement of Changes in Equity and 2019 revenue have been amended to reflect that the bequest should have been recognised as revenue in full on receipt.

	Restated 2019	Original 2019
	\$	\$
Opening retained earnings at 1 July 2018	4,818,882	4,497,038
Fundraising revenue	1,734,255	1,788,075

	2020	2019
	\$	\$

NOTE 3: REVENUE

(a) Revenue from contracts with customers

Grant revenue	663,406	656,792
Sale of goods	136,145	234,011
	<u>799,551</u>	<u>890,803</u>

(b) Other revenue

Fundraising revenue	2,195,674	1,734,255
Donation - The Sisters of Saint Joseph of the Sacred Heart	2,123,967	1,100,000
Other revenue	26,663	281,795
Investment revenue	147,265	264,756
Gain on disposal of property, plant and equipment	-	80,584
JobKeeper and Cash Flow Boost	170,500	-
	<u>4,664,069</u>	<u>3,461,390</u>

(c) Interest revenue from financial assets at amortised cost

	<u>128,160</u>	<u>145,989</u>
	<u>5,591,780</u>	<u>4,498,182</u>

NOTE 4: EXPENSES

(a) Employee benefits expenses

Wages and salaries	2,086,928	1,706,688
Employee superannuation contributions	168,641	145,862
	<u>2,255,569</u>	<u>1,852,550</u>

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
NOTE 4: EXPENSES (Continued)		
(b) Depreciation and amortisation expenses		
Building	38,044	33,588
Office and computer equipment	9,622	1,224
Motor vehicles	25,444	14,762
Lease assets	16,680	36,004
	<u>89,790</u>	<u>85,579</u>
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	29,923	4,018
Cash at bank	8,335,899	8,442,164
	<u>8,365,822</u>	<u>8,446,182</u>
NOTE 6: TRADE AND OTHER RECEIVABLES		
Other receivables	348,452	377,496
	<u>348,452</u>	<u>377,496</u>
NOTE 7: OTHER CURRENT ASSETS		
Prepayments	30,499	23,736
Accrued interest	38,140	44,379
	<u>68,639</u>	<u>68,115</u>
NOTE 8: FINANCIAL ASSETS		
Financial assets at fair value through other comprehensive income	3,032,021	3,207,736
	<u>3,032,021</u>	<u>3,207,736</u>

The Company's financial assets included in the statement of financial position are carried at fair value. Refer to Note 2(b) for the methods and assumptions adopted in determining fair values of investments.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Buildings:		
At cost	762,183	760,874
Less accumulated depreciation	<u>(260,447)</u>	<u>(223,264)</u>
	<u>501,736</u>	<u>537,610</u>
Office equipment:		
At cost	19,252	18,901
Less accumulated depreciation	<u>(3,818)</u>	<u>(1,224)</u>
	<u>15,434</u>	<u>17,677</u>
Motor vehicles:		
At cost	176,786	174,514
Less accumulated depreciation	<u>(151,292)</u>	<u>(123,576)</u>
	<u>25,494</u>	<u>50,938</u>
Computer equipment:		
At cost	66,788	52,877
Less accumulated depreciation	<u>(44,081)</u>	<u>(36,702)</u>
	<u>22,707</u>	<u>16,175</u>
Total property, plant and equipment		
At cost	1,025,009	1,007,166
Less accumulated depreciation	<u>(459,638)</u>	<u>(384,766)</u>
	<u>565,371</u>	<u>622,400</u>
	Buildings	Office equipment
	\$	\$
Balance at 1 July 2019	537,610	17,677
Additions	2,171	-
Disposals	-	-
Depreciation expense	<u>(38,044)</u>	<u>(2,243)</u>
Balance as at 30 June 2020	<u>501,736</u>	<u>15,434</u>
	Computer Equipment	Total
	\$	\$
Balance at 1 July 2019	16,175	622,400
Additions	13,910	16,081
Disposals	-	-
Depreciation expense	<u>(7,379)</u>	<u>(73,110)</u>
Balance as at 30 June 2020	<u>22,707</u>	<u>565,371</u>

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
NOTE 10: LEASE ASSETS AND LIABILITIES		
NON-CURRENT		
Lease assets		
At cost	83,400	-
Accumulated amortisation	(16,680)	-
Total lease assets	<u><u>66,720</u></u>	<u><u>-</u></u>
		\$
At 1 July 2019		-
Additions at cost		83,400
Amortisation		(16,680)
Carrying amount at end of year		<u><u>66,720</u></u>
	2020	2019
	\$	\$
Lease Liabilities		
Current	16,680	-
Non-current	53,459	-
	<u><u>70,139</u></u>	<u><u>-</u></u>

Amounts recognised in the statement of profit or loss and other comprehensive income

	2020
	\$
Interest expense (included in finance costs)	<u><u>3,419</u></u>
Total cash outflow for leases	<u><u>16,680</u></u>

The Company has fixed term rental agreements for two photocopiers from Fuji Xerox Australia Pty Ltd from 1/7/2019 for 60 months.

The Company also has an agreement with the Diocese of Dili, to use certain property in the Diocese of Dili, Parish of the Sacred Heart of Jesus, Becora, for a period of 25 years (which is renewable). The agreement permitted the construction of a "permanent and secure residence for the Sisters and sufficient space for office, teacher training, and other educational purposes" on the property, and notes the property must only be used for this purpose, and in communion and harmony with the orientations and strategic plan of the evangelisation of the Diocese of Dili. Should these activities cease, the land, and the building constructed thereon, will automatically be returned to the Diocese of Dili, upon 12 months notice being given. There are no payments required in respect to this agreement by the Company, to the Diocese of Dili.

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
NOTE 11: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	8,578	17,791
Accrued expenses	51,478	41,999
Other payables	97,029	146,643
	<u>157,085</u>	<u>206,433</u>
NOTE 12: CONTRACT LIABILITIES		
CURRENT		
Contract liabilities	-	47,589
	<u>-</u>	<u>47,589</u>
NOTE 13: EMPLOYEE BENEFITS		
CURRENT		
Employee benefits - annual leave	158,621	130,940
Employee benefits - long service leave	20,924	30,158
	<u>179,545</u>	<u>161,098</u>
NON-CURRENT		
Employee benefits - long service leave	<u>29,376</u>	<u>63,996</u>

MARY MACKILLOP TODAY
ABN 88 808 531 480

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

Donations and Fundraising	Cash Available 1 July 2019	Cash Raised	Cash Disbursed	Cash Available 30 June 2020
	\$	\$	\$	\$
Timor - Leste	-	1,137,294	(1,137,294)	-
Ethica	(41,413)	129,324	(148,600)	(60,689)
First Nations Program	2,455,661	355,726	(570,445)	2,240,942
Financial Inclusions Program	537,920	136,639	(404,828)	269,731
Total for other non-designated	638,708	3,558,634	(2,216,399)	1,980,943
Total for International non-designated	4,066,532	190,179	(1,285,452)	2,971,259
Total for other non-designated (JB Were Cash)	788,774	174,862	-	963,636
	<u>8,446,182</u>	<u>5,682,658</u>	<u>(5,763,018)</u>	<u>8,365,822</u>

NOTE 15: RELATED PARTY DISCLOSURES

Other than personal donations there were no related party transactions with any Directors or Director-related entities during the financial year ended 30 June 2020.

The Sisters of Saint Joseph of the Sacred Heart contributed the following revenue to the Company:

	2020	2019
	\$	\$
Funding Donation	2,123,967	1,100,000
RPA distribution	150,000	220,000

During the year the Company made payments totalling \$78,534 to the Sisters of St Joseph relating to strata fees, property outgoings, insurance and stipends.

NOTE 16: KEY MANAGEMENT PERSONNEL REMUNERATION

The Directors act in an honorary capacity and receive no remuneration or benefits.

Compensation

The aggregate compensation made to members of key management personnel of the Company is set out below:

	2020	2019
	\$	\$
Aggregate compensation	<u>753,171</u>	<u>743,329</u>

NOTE 17: MEMBERS LIABILITY

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 outstandings and obligations of the Company. As at 30 June 2020 the total amount those members of the Company were liable to contribute if the Company is wound up is \$50.00 (2019: \$50).

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 18: OTHER RESERVES

(a) Corpus Reserve

The Corpus Reserve represents funds received by Mary MacKillop Today upon its merger with Mary MacKillop Foundation. The funds are available for distribution and to finance the operating expenditure of Mary MacKillop Today, however it is not budgeted that they will be deployed in the short term. Accordingly, the funds have been invested with an approved investment manager to maximise the return until they are required for distribution.

(b) Equity - Acquisition Reserve

The Equity - Acquisition Reserve represents total funds received by Mary MacKillop Today upon its merger with Mary MacKillop Foundation

(c) Financial Assets Reserve

The Company has elected to recognise changes in the fair value of certain investments in other comprehensive income, as explained in Note 2(b). These changes are accumulated within the Financial Assets Reserve within equity. The Company then transfers amounts from this reserve to retained earnings when the relevant investments are derecognised.

NOTE 19: EVENTS AFTER THE REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the financial position has been maintained by the Company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the directors, the Company did not have any contingent liabilities as at 30 June 2020 (2019: Nil).

MARY MACKILLOP TODAY

ABN 88 808 531 480

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 \$	2019 \$
NOTE 21 INFORMATION REQUIRED UNDER THE CHARITABLE FUNDRAISING ACT 1991		
Fundraising appeals conducted during the financial year include mail appeals, art exhibition, raffle, bequest and donations.		
a. Gross proceeds from fundraising appeals	4,319,641	3,084,255
Less: Direct costs of fundraising appeals	<u>(1,221,197)</u>	<u>(742,294)</u>
Net surplus from fundraising appeals	<u>3,098,444</u>	<u>2,341,961</u>

This fundraising surplus was applied against direct service and administration costs as detailed below:

- b. Direct service and administration costs for the year excluding individually significant items amounted to:

Direct service costs	3,619,131	2,985,016
Administration and Wages costs	807,602	640,776
	<u>4,426,733</u>	<u>3,625,792</u>

	2020 \$	2020 %	2019 \$	2019 %
Total cost of fundraising	<u>1,221,197</u>		<u>742,294</u>	
Gross income from fundraising	4,319,641	28%	3,084,255	24%
Net surplus from fundraising	<u>3,098,444</u>		<u>2,341,961</u>	
Gross income from fundraising	4,319,641	72%	3,084,255	76%
Total cost of services	<u>3,619,131</u>		<u>2,985,016</u>	
Total expenditure	5,682,088	64%	4,574,255	65%
Total cost of services	<u>3,619,131</u>		<u>2,985,016</u>	
Total income received	5,591,780	65%	4,498,182	66%

MARY MACKILLOP TODAY
ABN 88 808 531 480

DIRECTORS' DECLARATION

The Directors of Mary Mackillop Today declare that:

- the financial statements, comprising the Statement of Profit or Loss and Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013)* ;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the ACNC Regulation 2013 on behalf of the directors:



Anthony Abraham
Director



Jane Woolford
Chief Executive Officer

Dated this 26th day of November 2020.

MARY MACKILLOP TODAY
ABN 88 808 531 480

CHAIRMAN'S DECLARATION

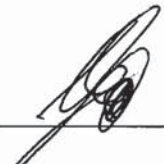
Declaration by the Chairman in respect of Fundraising Appeals under the *Charitable Fund Raising Act 1991* for the year ended 30 June 2020.

In accordance with a resolution of the Directors of Mary MacKillop Today Limited, I declare that:

In my opinion as the Chairman;

- a) the Statement of Profit or Loss and Other Comprehensive Income gives a true and fair view of the state of all income and expenditure of Mary MacKillop Today Limited with respect to fundraising appeals; and
- b) the Statement of Financial Position gives a true and fairview of the state of affairs with respect to fundraising appeals; and
- c) the provisions of the *Charitable Fundraising Act 1991* and the regulations under that Act and the conditions attached to the authority have been complied with; and
- d) the internal controls exercised by Mary MacKillop Today Limited are appropriate and effective in accounting for all income received and applied by Mary MacKillop Today from any of its fundraising appeals.

On behalf of Mary MacKillop Today Limited



Director

Dated this 26th day of NOVEMBER 2020.

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MARY MACKILLOP TODAY
ACN 808 531 480**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

- i. the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mary MacKillop Today during the year.



M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

26 November 2020

**INDEPENDENT AUDITOR'S REPORT
TO MARY MACKILLOP TODAY
ACN 808 531 480****Report on the Audit of the Financial Report**

We have audited the financial report of Mary MacKillop Today the ("Company"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- c) complying with the Australian Council for International Development (ACFID) Code of Conduct.

Also, in our opinion the financial report gives a true and fair view with the provisions of the Charitable Fundraising Act 1991 (NSW), the Collections Act 1966 (QLD), the Gaming Control Act 1993 (TAS), the Fundraising Act 1998 (VIC), and the Charitable Collections Act 1946 (WA).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not for-profits Commission Act 2012* ("ACNC Act") and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("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.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Directors' Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

**INDEPENDENT AUDITOR'S REPORT
TO MARY MACKILLOP TODAY
ACN 808 531 480**

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Directors for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, the ACFID Code of Conduct, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company'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 the Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT
TO MARY MACKILLOP TODAY
ACN 808 531 480**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Mary MacKillop Today for the year ended 30 June 2020 included on Mary MacKillop Today's website. The Directors of the Company are responsible for the integrity of the Mary MacKillop Today's website. The independent auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



M A ALEXANDER
Partner



PITCHER PARTNERS
Sydney

26 November 2020