

2022- 2023 | FINANCIAL REPORT



MacKillop  
Family  
Services

Growth  
& Change



# MacKillop Family Services Limited

ABN 79 078 299 288

Financial Report for the year ended  
30 June 2023

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MacKillop Family Services Limited is a Company limited by guarantee, incorporated and domiciled in Australia.

The registered office and principal place of business is:  
237 Cecil Street, South Melbourne, Victoria 3205.

A description of the nature of the Company's operations and its principal activities is included in the Directors' report on pages 4 to 10.



MacKillop Family Services acknowledges Aboriginal\* people as Australia's First Peoples and as the Traditional Owners and Custodians of the land on which we live, work and play. We pay our deep respects to Elders past, present and emerging, and acknowledge all Aboriginal children, young people, families and staff who are a part of MacKillop Family Services. We embrace and commit to the spirit and work of self-determination and reconciliation.

\*In this document, 'Aboriginal' refers to both Aboriginal and Torres Strait Islander peoples.



MacKillop celebrates and draws strength from diversity and respects the dignity of all people. We value an inclusive culture where lesbian, gay, bisexual, trans, queer, gender diverse, intersex and asexual people (LGBTIQA+) have the right to be safe.



# Company Particulars

## Board of Directors

Mr Brian Keane (Chair)  
Mr David Beaver  
Ms Vicki Clark OAM  
Ms Elizabeth Clear  
Ms Janet Farrow OAM  
Ms Robyn Fry  
Ms Fiona Hastings  
Mr Peter Lavis  
Dr Linda Mellors  
Mr Francis Moore  
Mr John Sutherland

## Chief Executive Officer

Dr Robyn Miller  
BSW, Grad Dip Fam Th, M. Fam Th, PhD.

## Company Secretary

Mr Graham Boal  
B Com (Accounting), ASA, FAICD



## Registered Office

**Address:** 237 Cecil Street,  
South Melbourne, Victoria 3205  
**Telephone:** 03 9699 9177  
**Facsimile:** 03 9696 6496  
**Email:** [enquiry@mackillop.org.au](mailto:enquiry@mackillop.org.au)  
**Web Site:** [www.mackillop.org.au](http://www.mackillop.org.au)

## Principal Bankers

Catholic Development Fund  
and National Australia Bank

## Auditors

Crowe Melbourne



# DIRECTORS' REPORT

The Directors have pleasure in presenting their report on the financial statements of MacKillop Family Services Ltd ('MacKillop' / 'the Company') for the year ended 30 June 2023, made out in accordance with a resolution of the Directors.

## 1. DIRECTORS

The Directors of the Company as at the date of this report are:

Name & Qualifications	Experience	Special responsibilities
<b>Mr Brian Keane</b>  BEc, FCPA	Director, Retired.  Over 40 years' experience in Finance and Information Services, including over 25 years in executive management roles. Now focused on providing expertise in these areas, especially in strategic risk and governance. Leadership roles in many transformation initiatives has provided experiences that assist in identifying good business practice and strategic opportunities.	<b>Chair</b>  Member of the Governance Committee and Finance and Investment Committee.
<b>Ms Robyn Fry</b>  LLB., GDLP, GIA(Cert), GAICD	Lawyer practising for more than 30 years with over 20 years working in private and public sector general counsel and company secretary roles in healthcare, funds management and a government business enterprise. Over this time gaining extensive experience in the establishment, direction, and oversight of a broad range of governance frameworks, regulatory compliance functions, insurance portfolios, risk management and business continuity programs.	<b>Deputy Chair</b>  Convenor of the Governance Committee and member of the Audit and Risk Committee.
<b>Mr David Beaver</b>  MBA, BSW, BA, Grad Dip of Counselling, Dip Teaching, GAICD	Over 30 years in leadership positions delivering child, family, mental health, and employment services especially in rural and regional Victoria. Board governance experience on national and state bodies.	Convenor of the Ethos and Culture Committee and member of the Reconciliation Action Plan (RAP) Committee.
<b>Ms Vicki Clark OAM</b>	Sound knowledge of Aboriginal cultural protocols and considerable governance experience from membership on several other boards.	Convenor of the Reconciliation Action Plan (RAP) Committee.
<b>Ms Elizabeth Clear</b>  BA Commerce, Grad Dip Applied Corporate Governance, CPA, AGIA, ACIS, GAICD	Over 30 years' experience in finance, governance, quality, risk management, organisational development, and change management, with Senior executive roles in the public, private and not-for-profit sector. Leading major change programs, implemented enterprise-wide risk management frameworks and practices, and driving financial strategy to purpose.	Member of the Audit and Risk Committee.
<b>Ms Janet Farrow OAM</b>  BSW, MBA, Grad Dip Law, GAID, Churchill Fellow, Williamson Community Leadership Fellow	Over thirty years' experience as a Social Worker, team leader and senior executive and director of Non-Government Organisations and statutory bodies of State Government. Significant understanding of the mental health, drug and alcohol and child and family welfare sectors. Current interests in teaching in the entry to practice Master of Social Work are, Program Planning and Evaluation, Law and Ethics, Organisational Theory, Family Theory and Practice and Field Work.	Convenor of the Quality and Research Committee.

<b>Ms Fiona Hastings</b>  MBA, BSW	Social worker with over 25 years' experience in child and family, and women's services. Previously worked as Principal Officer of CatholicCare Sydney's foster care and adoption service, and General Manager of the Children and Families Division. Currently Principal of Sancta Sophia College, within the University of Sydney.	Member of the Ethos and Culture Committee.
<b>Mr Peter Lavis</b>  Assoc. RMIT – Building, Assoc. RMIT – Quantity Surveying, Grad Dip. Business Admin. Swinburne	<p>Over 40 years in corporate life in senior management and leadership roles across the Property and Construction Industries (both Private and Public Sectors inc. GBEs), Transport and Logistics, Retail and prior to retirement, eCommerce fulfilment both Domestically and Internationally.</p> <p>Experienced in strategic sourcing and procurement, project planning and management, governance and probity, strategic planning and business process improvement, stakeholder management and industrial relations.</p> <p>Has held Directorships and served on a number of Boards and Committees, some being Ministerial appointments.</p>	Member of the Finance and Investment Committee.
<b>Dr Linda Mellors</b>  BA, BSc (Hons), PhD (Med), Grad Cert (Health Serv Mgt), GAICD	<p>Managing Director and Chief Executive Officer of Regis Healthcare Ltd.</p> <p>Extensive experience in Health and Human Services, Corporate Governance, Clinical Governance, Financial Management, strategy, and leadership.</p>	Member of the Quality and Research Committee.
<b>Mr Francis Moore</b>  LLB. B.Comm	30 years as a legal practitioner in private practice representing commercial, private, charities and mutual financial institutions followed by 12 years as the Diocesan Financial Administrator and Executive Director Administration of the Catholic Archdiocese of Melbourne with responsibilities in administration, governance and advisory to the Archbishop, Australian Catholic Bishops Conference and Bishops of Victoria. Currently a director on a number of boards involved in education and financial services.	Convenor of the Audit and Risk Committee.
<b>Mr John Sutherland</b>  Diploma in Business Studies, Chartered Accountant	<p>Retired.</p> <p>Has previously held Board positions in the health, construction, maintenance, and recruitment industries. Held the position of Chief Financial Officer in a variety of industries including engineering, construction, electricity, and health. Many years of experience with expertise in finance, risk management, audit, and strategy.</p>	Convenor of the Finance and Investment Committee and member of the Governance Committee.

## 2. PRINCIPAL ACTIVITIES AND OBJECTIVES OF THE COMPANY

The Company's principal activities are the provision of home based and residential care services, disability services, family support, family preservation and reunification, family therapy services, parenting services, youth support and outreach services, youth homelessness services, mental health services, educational services, organisational training and consultancy services, heritage and information services for former residents along with advocacy and research for vulnerable and disadvantaged children and young people and their families, utilising self-generated, federal and state government funding. The Company operates in Victoria, New South Wales, Western Australia, Australian Capital Territory and Northern Territory and provides resources and training in all states of Australia and licenses programs overseas in Scotland, England, Wales, Ireland, Singapore, and New Zealand.

We work for the rights of children, young people, and families to be safe, to learn, feel nurtured and connected to culture. We are passionate about putting children first and working with families and the sector to prevent abuse and neglect, and to advocate for more effective ways to help children and families recover from trauma. Together, we put child wellbeing on the national agenda.

We believe in the rights of every child and young person to feel safe and be safe, particularly when they are in care. We have an overarching organisational commitment to inclusion and welcome LGIBTQA community and people of all abilities as services users and providers. We are an inclusive organisation that celebrates and draws strength from diversity and respects the dignity of all people.

These principal activities assist in achieving the short and long-term objectives of the Company by:

- providing services that assist disadvantaged children, young people, and their families,
- managing funding to enable the organisation to meet its budgetary and fiscal responsibilities to ensure financial sustainability,
- developing and implementing integrated systems which ensures compliance with regulatory requirements,
- supporting a detailed research and evaluation agenda to support improved outcomes, program development and system advocacy,
- ensuring accountable and integrated processes and systems that prioritise the safety and wellbeing of children, families, volunteers, and staff,
- undertaking continuous quality improvement processes and rigorous risk assessment processes.

### Short Term Objectives of the Company (as detailed in its Operating Plan)

The Company has identified the following short-term objectives:

- to have a stable, trauma informed, culturally safe and supported workforce providing high quality services,
- provide educational environments which nurture confident and resilient children, who require a specialist learning environment, through access to quality education and support,
- continue to embed best practice in our out-of-home care and accommodation services and improve the transition of young people to hopeful futures,
- develop the research and evaluation agenda and implement findings to strengthen outcomes and build the evidence base for best practice,
- listen deeply and respond meaningfully to the voices and experience of the children, young people, families and carers, and foster participation and inclusion,
- ensure there are robust and reliable systems in place, to enhance the quality and safety of the practice and the outcomes achieved by the children, young people, and families,
- strengthen organisational and financial sustainability.

The Company has adopted the following strategies for achievement of these short-term objectives:

- embed through leadership, strong governance and professional development, a visible culture of child safety,
- attract, develop, and retain the most capable and engaged workforce,
- strengthen the culture of continuous improvement and participation, through feedback from our service users, community, and workforce,
- ensure we have robust, integrated systems in place to measure and increase the quality of our practice, adherence to regulatory standards and performance against targets,
- implement our Innovate Reconciliation Action Plan 2023-2025 and continue to listen deeply to the Aboriginal voice,
- proactively engage with Aboriginal Communities and Aboriginal Community Controlled Organisation's (ACCOS) to build respectful partnerships,

- continue to partner with ACCOs to action the transfer of care of Aboriginal children to Aboriginal agencies and promote self-determination,
- prioritise stringent financial oversight and adherence to budget from all operational and support services.

### Long-Term Objectives of the Company (as detailed in its Strategic Plan)

The Company has identified the following long-term objectives:

- grow our Family Services – intervene earlier with families to keep children and young people safe at home and prevent them from experiencing harm,
- grow our Education Services – nurture confident and resilient children, who require a specialist learning environment, through access to quality education and support,
- promote accessible and inclusive services for all children, young people and families,
- continue to embed best practice in our out-of-home care and accommodation services and improve the transition of young people to hopeful futures,
- be an innovative and responsive leader by developing best practices and advocating for social justice,
- deepen our commitment to Aboriginal self-determination, reconciliation and cultural safety.

The Company has adopted the following strategies for achievement of these long-term objectives:

- the preparation of a 7-year strategic plan to communicate the organisation's objectives to the community, funding bodies, government and employees,
- preparation of an annual Corporate Operations Plan to maintain currency of actions to achieve objectives,
- to be the leading Sanctuary provider in Australia and to increase the provision of programs on the prevention of sexual exploitation, harmful sexual behaviours and dating violence and grief and loss,
- the preparation of budget forecasting that considers future service delivery needs, infrastructure needs, employment costs and maintaining prudent levels of working capital,
- the preparation of a robust risk management framework with a focus on the safety of service users, staff, volunteers and the sustainability of the organisation.

### Performance Measurement

The Company uses the following tools and systems to measure performance against our key performance indicators:

- analysis of data in relation to the services provided to children and families by the organisation,
- systematic service reviews to measure service quality and client outcomes, and research to identify emerging needs and address practice and policy knowledge gaps,
- consumer participation opportunities including client feedback,
- ongoing monitoring to ensure compliance with legislation, regulations, reporting requirements and policies,
- employee engagement surveys,
- agency register for suggestions for innovation and improvement of quality available to all staff,
- senior management and Board Finance and Investment Committee and Board Audit and Risk Committee oversight of operating budget performance; Board Quality and Research Committee overseeing all aspects of quality, research and evaluation,
- viewpoint, a regular survey of children and young people in out of home care,
- independent audits by QIP, HDAA, Office of the Children's Guardian NSW, Ombudsman and state government departments,
- internal audit processes conducted periodically and systematically,
- collecting data on the range, reach and impact of training programs, both internal and external such as Sanctuary and Good Grief.

### 3.DIRECTORS' MEETINGS

Director appointment and cessations dates, along with the number of Directors' meetings, committee and sub-committee meetings held during the financial year each Director held office and the number of meetings attended by each Director is given below. It should be noted that not all Directors are members of all committees.

	Date appointed	Date of cessation	Board meetings		Committee meetings	
			A	B	C	D
Mr Brian Keane (Chair)	Aug 2015		7	7	9	8
Ms Robyn Fry (Deputy Chair)	Nov 2015		7	6	10	10
Mr David Beaver	Nov 2017		7	6	6	5
Ms Vicki Clark OAM	Oct 2021		7	6	2	2
Ms Elizabeth Clear	Oct 2021		7	5	4	4
Ms Janet Farrow OAM	Oct 2021		7	7	4	3
Ms Fiona Hastings	Nov 2021		7	7	4	4
Mr Peter Lavis	Oct 2021		7	5	5	5
Dr Linda Mellors	Nov 2018		7	6	4	3
Mr Francis Moore	Apr 2021		7	6	4	4
Ms Anita Mueller	Nov 2017	Dec 2022	2	2	2	2
Prof Peter Steane	Aug 2015	Dec 2022	2	2	1	1
Mr John Sutherland	Nov 2018		7	7	11	11

**A** – Board meetings held whilst a Director

**C** – Committee and sub-committee meetings held whilst a Director

**B** – Board meetings attended whilst a Director

**D** – Committee and sub-committee meetings attended whilst a Director



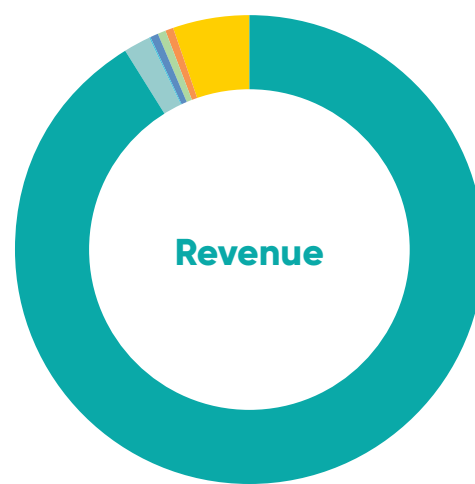
## 4. RESULTS OF OPERATIONS

The Company recorded a gain from ordinary operating activities of \$7,245,767 (2022: \$22,499,545). Other income from non-ordinary activities, such as bequests, totals \$434,395 (2022: \$319,759), resulting in a net gain for the year of \$7,680,162 (2022: \$22,819,304).

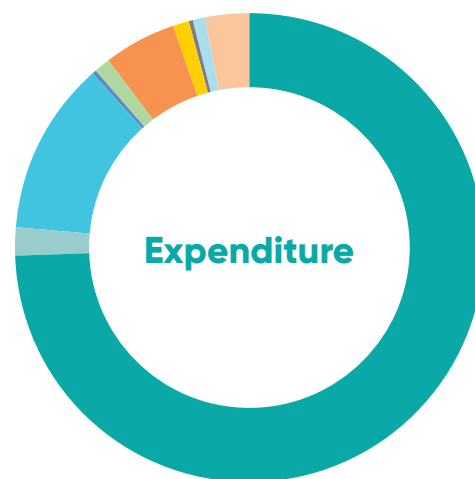
The reported other comprehensive income' in the Statement of Comprehensive Income in the published financial report is the recorded gain or loss in MacKillop's equity holdings within its financial assets, which is yet to be realised. After taking into account the gain in revaluation of financial assets for the year of \$1,636,527 the resulting total comprehensive income gain for the year is \$9,316,689 (2022: \$20,268,168).

Included in the comprehensive income gain for the year of \$9,316,689 is a gain from a property sale of \$7,023,240. Excluding this income and the gain from the revaluation of financial assets, the comprehensive income gain for the year is \$656,922.

Revenue	2023	2022
Government grants	91.2%	91.0%
Enterprise income	1.9%	0.9%
Bequests	0.2%	0.1%
Trust funds	0.5%	0.5%
Donations/fundraising	0.5%	0.6%
Investment income	0.7%	1.1%
Other income, includes transfer of assets from the Catholic Archdiocese of Melbourne, WorkCover recoveries, profit on sale of property & vehicles and other minor income	5.0%	5.8%



Expenditure	2023	2022
Employee benefits expense	74.5%	72.8%
Depreciation and amortisation expense	2.0%	2.3%
Client expense	11.9%	13.3%
Fundraising and volunteers expense	0.3%	0.3%
Occupancy expense	1.0%	1.0%
Property maintenance and equipment expense	5.2%	5.2%
Motor vehicles running expense	1.1%	1.0%
Audit and legal expense	0.1%	0.1%
Administration expense	1.0%	1.0%
Other expenses- includes business operation costs, finance costs, consultancies and depreciation on 'Right of Use' assets	2.9%	3.0%



## 5. MEMBERSHIP OF THE COMPANY

The Company is incorporated as a Company limited by guarantee that requires the members of the Company to contribute \$5 per member towards the Company liabilities on the winding up of the Company.

Membership Class	Number of Members	Individual Members Contribution on Winding Up of the Company	Total Members Contribution on Winding Up of the Company
Ordinary Members	1	\$5	\$5

## 6. EVENTS SUBSEQUENT TO REPORTING DATE

The financial report was authorised for issue on 18 October 2023 by resolution of the Board of Directors.

McAuley Community Services for Women (MCSAL) has moved under the auspices of MacKillop from 1 October 2023.

There have been no matters or circumstances which have arisen since the end of the financial year which may significantly affect the operations of the organisation, the results of those operations or the state of affairs of the organisation in subsequent years.

## 7. AUDITORS INDEPENDENCE DECLARATION

A copy of the Auditors Independence Declaration as required under section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 11.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors:



**Mr Brian Keane**  
Director  
Melbourne Victoria  
Date: 18 October 2023



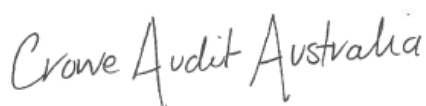
**Mr John Sutherland**  
Director

## Auditor's Independence Declaration

As an auditor of MacKillop Family Services Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

The declaration is in respect of MacKillop Family Services Limited during the year.



**Crowe Audit Australia**



**Cassandra Gravenall**

Associate Partner

19 October 2023

Geelong

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*The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.*

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# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Revenue and other income</b>			
Revenue from operating activities	2(a)	236,588,953	232,690,229
Revenue from contracts with customers	2(b)	4,692,217	2,043,750
Income from outside operating activities	2(c)	10,447,320	3,580,977
<b>Revenue and other income</b>		<b>251,728,490</b>	<b>238,314,956</b>
<b>Expenditure</b>			
Employee benefits expense		139,152,015	118,881,603
Other employment expenses		43,152,178	38,438,165
Depreciation and amortisation expense	3(b) (i)	4,996,432	4,965,017
Client expense		28,996,660	28,712,902
Fundraising and volunteer expense		848,917	585,657
Occupancy expense		2,480,906	2,187,387
Property maintenance and equipment expense		12,595,102	11,216,525
Motor vehicle running expense		2,612,980	2,068,025
Audit and legal expense		188,656	151,911
Administration expense		2,358,331	2,167,785
Other expenses		7,100,548	6,440,434
<b>Expenditure</b>		<b>244,482,725</b>	<b>215,815,411</b>
<b>Surplus from ordinary activities</b>		<b>7,245,765</b>	<b>22,499,545</b>
Other income	2(d)	434,395	319,759
<b>Net surplus for the year</b>		<b>7,680,160</b>	<b>22,819,304</b>
<b>Other comprehensive income</b>			
Net gain / (loss) on revaluation of financial assets		1,636,526	(2,551,136)
<b>Other comprehensive income gain / (loss)</b>		<b>1,636,526</b>	<b>(2,551,136)</b>
<b>Total comprehensive income gain for the year</b>		<b>9,316,686</b>	<b>20,268,168</b>

The statement of comprehensive income is to be read in conjunction with the attached notes.



# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	34,931,092	36,658,041
Trade and other receivables	6(a)	5,577,466	12,556,523
Inventory	6(b)	72,070	80,825
Prepayments	6(c)	130,782	251,660
Financial assets	7(a)	12,000,000	4,600,000
<b>TOTAL CURRENT ASSETS</b>		<b>52,711,410</b>	<b>54,147,049</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	7(b)&(c)	29,292,847	18,168,524
Sub-Lease asset	6(d)	88,604	11,508
Property, plant, and equipment	8	60,327,893	51,563,070
Non-current assets held for sale	8(c)	-	4,286,760
Right of use assets	8(d)	19,787,003	16,909,137
Intangible assets	9	4,712,861	4,837,480
<b>TOTAL NON-CURRENT ASSETS</b>		<b>114,209,208</b>	<b>95,776,479</b>
<b>TOTAL ASSETS</b>		<b>166,920,618</b>	<b>149,923,528</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	12,250,913	15,387,579
Lease Liabilities	12(b)(i)	7,550,447	4,406,079
Provisions	11	13,501,854	11,574,206
Other	12(a)	22,983,269	16,635,698
<b>TOTAL CURRENT LIABILITIES</b>		<b>56,286,483</b>	<b>48,003,562</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	3,503,946	3,331,647
Lease Liabilities	12(b)(ii)	13,700,072	13,343,887
Contract Liability	12(c)(i)	-	1,131,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>17,204,018</b>	<b>17,806,534</b>
<b>TOTAL LIABILITIES</b>		<b>73,490,501</b>	<b>65,810,096</b>
<b>NET ASSETS</b>		<b>93,430,117</b>	<b>84,113,431</b>
<b>EQUITY</b>			
Contributed funds reserve		23,481,100	23,481,100
Trust funds reserve		12,153,281	12,153,281
Innovation funds reserve		166,340	72,377
Financial assets reserve		2,604,413	967,887
Retained earnings		55,024,983	47,438,786
<b>TOTAL EQUITY</b>		<b>93,430,117</b>	<b>84,113,431</b>

The statement of financial position is to be read in conjunction with the attached notes.

# STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 30 JUNE 2023

	Contributed Funds Reserve	Trust Funds	Innovation Funds Reserve	Financial Assets Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2021</b>	<b>23,481,100</b>	<b>3,714,183</b>	<b>72,377</b>	<b>3,519,023</b>	<b>33,058,580</b>	<b>63,845,263</b>
Surplus attributable to the entity	-	-	-	-	22,819,304	22,819,304
Transfers in / (out)	-	8,439,098	-	-	(8,439,098)	-
Other comprehensive Income gain	-	-	-	(2,551,136)	-	(2,551,136)
<b>Balance at 30 June 2022</b>	<b>23,481,100</b>	<b>12,153,281</b>	<b>72,377</b>	<b>967,887</b>	<b>47,438,786</b>	<b>84,113,431</b>
Surplus attributable to the Entity	-	-	-	-	7,680,160	7,680,160
Transfers in / (out)	-	-	93,963	-	(93,963)	-
Other comprehensive gain	-	-	-	1,636,526	-	1,636,526
<b>Balance at 30 June 2023</b>	<b>23,481,100</b>	<b>12,153,281</b>	<b>166,340</b>	<b>2,604,413</b>	<b>55,024,983</b>	<b>93,430,117</b>

The statement of changes in funds is to be read in conjunction with the attached notes.

**Note:** The nature and purpose of the above funds and reserves are:

**a. Contributed Funds**

Contributed Funds are the assets that were contributed by the founding Agencies upon the commencement of MacKillop Family Services or were assets (or proceeds from the later sale of assets) that the Founding Congregations distributed at a later date.

**b. Trust Funds**

Trust Funds are the cash funds that were transferred to MacKillop by the Founding Agencies upon the commencement of MacKillop Family Services or were Trust Funds transferred at a later date.

**c. Innovation Funds Reserve**

This reserve holds distributions set aside to fund new and innovative services to vulnerable families.

**d. Financial Assets Reserve**

This reserve recognises and records fair value changes in FVOCI investments.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

		2023 \$	2022 \$
	Note	Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from government and other		267,679,183	238,816,310
Payments to suppliers and employees		(250,227,650)	(214,653,810)
Dividends received		369,189	2,309,908
Interest received		1,006,136	376,598
Interest paid		(756,844)	(554,010)
<b>Net cash provided by operating activities</b>		<b>18,070,014</b>	<b>26,294,996</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant, and equipment		(13,595,725)	(4,002,023)
Payment for intangible assets		(763,765)	(744,252)
Proceeds from sale of property, plant, and equipment		13,738,122	1,314,306
(Payments for) / proceeds from sale of financial assets		(16,887,797)	(2,491,298)
<b>Net cash used in investing activities</b>		<b>(17,509,165)</b>	<b>(5,923,267)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Lease Liabilities		(2,287,798)	(2,066,134)
		(2,287,798)	(2,066,134)
<b>Net decrease in cash and cash equivalents</b>		<b>(1,726,949)</b>	<b>18,305,595</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>36,658,041</b>	<b>18,352,446</b>
<b>Cash and cash equivalents at end of year</b>	5	<b>34,931,092</b>	<b>36,658,041</b>

The statement of cash flows is to be read in conjunction with the attached notes.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The financial statements are for MacKillop Family Services Limited ('MacKillop' / 'the Company') as an individual entity, incorporated and domiciled in Australia. MacKillop is a Company limited by guarantee.

## NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures for For-profit and Not-for-Profit Tier 2 entities and Interpretations issued by the *Australian Accounting Standards Board (AASB)* and associated regulations, the requirements of *Section 60.40 of the Australian Charities and Not-for-profits Commission Regulations 2013 (ACNC Regulations)*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*, as appropriate for not-for-profit orientated entities. The Company is a not-for-profit entity for financial reporting purposes under *Australian Accounting Standards*. The amounts presented in the financial statements have been rounded to the nearest dollar.

### Statement of Compliance

The Company does not have 'public accountability' as defined in and is therefore eligible to apply the 'Tier 2' reporting framework under *Australian Accounting AASB 1053 Application of Tiers of Australian Accounting Standards*.

The financial statements comply with the recognition and measurement requirements of the Australian Accounting Standards, the presentation requirements in those standards as modified by *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060)* and the disclosure requirements in *AASB 1060*. Accordingly, the financial statements comply with the *Australian Accounting Standards – Simplified Disclosures*.

### New, revised or amended Accounting Standards and Interpretations adopted.

The Company has adopted all of the new, revised or amended *Accounting Standards and Interpretations* issued by the *Australian Accounting Standards Board ('AASB')* that are mandatory for the current reporting period. The impact of the adoption of these Accounting Standards and Interpretations is not material.

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

### Founding Agencies

MacKillop is responsible for the works previously conducted by the following Founding Agencies:

- (i) Christian Brothers' Child, Youth and Family Services, Footscray which included:
  - (a) St Augustine's Adolescent and Family Services, Whittington
  - (b) St Joseph's Homes for Children, Flemington
  - (c) St Vincent's Boys Home, South Melbourne
- (ii) Mercy Family Care Centre, North Geelong
- (iii) St Vincent de Paul Child and Family Services, Black Rock
- (iv) St Anthony's Family Service, Footscray
- (v) St Joseph's Babies and Family Services, Glenroy

Since commencement of operations, MacKillop has become responsible for continuing the works of the following organisations:

- (i) Edmund Rice Community Services, NSW
- (ii) Cara Incorporated, Victoria (East)
- (iii) MacKillop Rural Community Services Limited (NSW)
- (iv) St Joseph's Cowper Limited (NSW)
- (v) Good Grief Limited (NSW)
- (vi) South West Emergency Care of Children (WA)

On formation, MacKillop acquired the net assets of the Founding Agencies. Land and buildings which MacKillop utilises were not acquired, although the use of these premises is made available at no cost by each of the Congregations.

### (b) Income Tax

As the Company is a charitable institution in terms of *subsection 50-5 of the Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

### (c) Revenue recognition

The Company recognises revenue as follows:



## Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods and services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

## Grants

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

## Investments

Gain or loss in market value of investments and franking credits are recognised at fair values at the end of the financial year.

## Sale of products

Training, programs, and publications are recognised when received or receivable.

## 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.

## Donations

Donations are recognised at the time the pledge is made.

## Other revenue

Other revenue including bequest, trust and fundraising income is recognised when it is received or when the right to receive payment is established.

## Volunteer services

The Company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources is also not recognised.

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

## (d) Business Combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured, and the settlement is accounted for within equity. Otherwise, subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

## (e) Cash and Cash Equivalents

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows, is reconciled to the related item in the statement of financial position.

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## (f) Trade and Other Receivables

Terms of payment are generally fourteen days from the date of the invoice. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## (g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

### Acquisition

Assets are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition, plus costs incidental to acquisition.

Non-monetary assets received in the form of grants or donations are recognised as assets and revenues at their fair value at the date of receipt.

### Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of items of property, plant, and equipment other than freehold land over their expected useful lives. The depreciation rates are:

Equipment -	15% to 33%
Furniture, fixtures and fittings -	10% to 15%
Motor vehicles -	15% to 20%
Buildings -	2% to 5%
Right of use assets -	lease term

Assets are depreciated from the date of acquisition.

## (h) Contract Assets

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

## (i) Intangible assets

Intangible assets acquired separately are initially recognised at cost.

### Software

Development costs for internally generated intangible assets i.e. software products that are identifiable and unique will be capitalised, where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software product and use or sell it,
- there is an ability to use or sell the software product,
- it can be demonstrated that the asset will probably generate future economic benefits; and
- the expenditure attributable to the software product during its development can be reliably measured.

Costs capitalised in relation to software development may relate to either:

- completely separable software; or
- enhancements of existing software which are clearly identifiable as new modules within the system or new features which enable the asset to generate additional future economic benefit. This excludes the ongoing maintenance to the existing software.

Directly attributable costs that are capitalised as part of the software product include the external consultant costs.

### Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over a contract period. As such, the Company does not receive a software intangible asset at the commencement date.

## Licences

The licence value is the capital contribution to building works amortised on straight line method over life of the licence.

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. Software products are amortised on straight line basis over its useful life i.e. six years. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

## (j) Impairment of Non-Current Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

## (k) Accounting for Leases

### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## (l) Financial Instruments

### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

## Classification and subsequent measurement

### Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

### Classifications are determined by both:

- The Company's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

### Subsequent measurement financial assets

#### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments as well as bank bills that were previously classified as held-to-maturity under AASB 139.

#### Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes income securities and investments in equities with fund managers that were previously classified as 'available-for-sale' under AASB 139.

#### Impairment of Financial Assets

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.



## De-recognition of Financial Assets

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised when the related obligations are discharged or cancelled or have expired. The difference between the carrying amount of the financial liability, which is 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.

### (m) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to MacKillop prior to the end of the financial year. The amounts are unsecured and are usually paid within thirty days of recognition. Due to their short-term nature, they are measured at amortised cost and are not discounted.

### (n) Contract Liabilities

Contract liabilities represent the Company's obligation to transfer goods and services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

### (o) Provisions

#### Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits, plus related on-costs. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on Australian Corporate bonds with terms to maturity that match the expected timing of cash flows.

## Annual Leave and Accrued Time-Off

Most annual leave and all accrued time-off are expected to be settled within one year of the balance date. Some annual leave is expected to be taken after one year and has been discounted in the year end provision.

All annual leave and accrued time-off are treated as short-term provisions.

### Long Service Leave

Long service leave is based on MacKillop's Enterprise Based Agreements along with other workplace agreements and contracts and relevant State Long Service Leave Acts where applicable.

Liabilities for unconditional employee entitlements are classified as current liabilities, regardless of when they are expected to be settled. Liabilities for employee entitlements that are still conditional on vesting requirements are classified as non-current liabilities.

### Makegood Provision

Provisions for makegood are recognised when MacKillop has a present (legal or constructive) obligation as a result of entering into a lease contract to restore the premises to its original condition upon expiry of the lease, it is probable MacKillop will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation to makegood. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### (p) Superannuation Funds

MacKillop contributes to various employee superannuation funds. The contributions are expensed in the period in which they are incurred.

### (q) 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 the expense.

Cash flows arising from the GST are grossed up in the Cash Flow Statement.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

## (r) Comparatives and Prior Year Adjustments

Comparatives have been adjusted to conform to changes in presentation (if any) in the current financial year where required by the Accounting Standards.

## (s) Economic Dependence

Mackillop is dependent on the Department of Families, Fairness and Housing Services Victoria and the Department of Communities and Justice NSW for the majority of its government funding used to operate the business. At the date of this report the Board of Directors has no reason to believe these Department's will not continue to support Mackillop.

## (t) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements 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 Company.

## Key Estimates

### Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of FVOCI 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 comprehensive income. Any subsequent reversal of an impairment loss is not reversed through the statement of comprehensive income.

### Fair Value

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

## Key Judgments

### FVOCI Investments

The Company maintains a portfolio of securities with a carrying amount of \$29,292,847 at the end of the reporting period. Certain Individual investments have increased in value. Should share values decline to an unacceptable level below cost or should prices remain at levels below cost for a lengthy period, the directors have determined that such investments will be considered impaired in the future.

## (u) Members' Liability on Winding Up

The liability of the members of the Company is limited. According to clause 7 of the Company's Constitution, each member of the Company undertakes to contribute to the property of the Company in the event of the same being wound up while the person is a member, for payment of the debts and liabilities of the Company, and the costs, charges, and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, but not exceeding five dollars (\$5). At 30 June 2023, there was one members of the Company.

NOTE 2 REVENUE		Note	2023 \$	2022 \$
<b>(a)</b>	<b>Revenue from operating activities</b>			
	Government grants			
	- State		222,858,240	211,203,952
	- Commonwealth		7,192,371	5,878,756
	- Other		25,040	225,850
			230,075,651	217,308,558
	Trust funds		1,141,275	1,117,485
	Donations / fundraising		1,280,240	1,369,475
	Property and other transfers	20	-	8,439,098
	Other		4,091,787	4,455,613
			<b>236,588,953</b>	<b>232,690,229</b>
<b>(b)</b>	<b>Revenue from contracts with customers</b>			
	Sale of products		<b>4,692,217</b>	<b>2,043,750</b>
<b>(c)</b>	<b>Income from outside the operating activities</b>			
	Dividends from Equity Funds		369,189	2,309,908
	Interest - other persons		1,211,695	232,173
	Franking credits		137,925	210,616
	Gain on disposal of property, plant, and equipment	3 (a)	8,728,511	828,280
			10,447,320	3,580,977
			<b>251,728,490</b>	<b>238,314,956</b>
<b>(d)</b>	<b>Other Income</b>			
	Other income is unbudgeted income received outside MacKillop's normal activities and is capital in nature. This income is used to fund capital works or is invested, and the income received used to fund new innovative services or the ongoing works of MacKillop.			
	Significant Items from Ordinary Activities			
	Bequest income		<b>434,395</b>	<b>319,759</b>

### NOTE 3 OPERATING SURPLUS

	<b>Net gains and expenses</b>			
	Surplus from ordinary activities includes the following specific net gains and expenses			
	<b>Net gain / (loss)</b>			
<b>(a)</b>	Disposal of property, plant and equipment, intangibles and asset held for sale			
	Disposal proceeds		13,738,122	1,314,306
	Carrying value		(5,009,611)	(486,026)
	Gain on disposal of property, plant and equipment, intangibles, and asset for sale		<b>8,728,511</b>	<b>828,280</b>
	<b>Expenses</b>			
<b>(b)</b>	(i) Depreciation and amortisation			
	Buildings and improvements		1,153,832	1,090,468
	Plant and equipment		2,954,219	3,103,956
	Intangible assets		888,381	770,593
	<b>Total</b>		<b>4,996,432</b>	<b>4,965,017</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

<b>NOTE 3 REVENUE</b>	<b>Note</b>	<b>2023 \$</b>	<b>2022 \$</b>
(ii) Operating lease rentals			
Lease payments		1,555,052	1,362,122
(iii) Right of use assets depreciation		2,879,145	2,506,119
<b>NOTE 4 AUDITOR'S REMUNERATION</b>			
Auditing the financial report		45,891	36,500
Audit of program acquittals		12,000	19,700
		57,891	56,200
Other internal audit services		45,659	44,288
<b>NOTE 5 CASH AND CASH EQUIVALENTS</b>			
CURRENT			
Cash at bank and on hand		34,931,092	36,658,041
<b>NOTE 6 OTHER ASSETS AND RECEIVABLES</b>			
<b>(a) TRADE AND OTHER RECEIVABLES</b>			
CURRENT			
Accrued income		2,517,418	4,507,365
Contract assets		1,518,605	6,521,967
Other		1,541,443	1,527,191
The average period on sales of goods is 60 days. No interest is charged on outstanding trade receivables (2022: 60 days).		5,577,466	12,556,523
<b>(b) INVENTORY</b>			
CURRENT			
Stocks – Seasons for Growth		72,070	73,792
Postage		-	7,033
		72,070	80,825
<b>(c) PREPAYMENTS</b>			
CURRENT			
Other assets		130,782	251,660
<b>(d) SUB-LEASE ASSETS</b>			
NON-CURRENT			
Other assets		88,604	11,508



<b>NOTE 7 FINANCIAL ASSETS</b>	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>CURRENT</b>			
Amortised cost investments			
(a) Term deposits		12,000,000	4,600,000
<b>NON-CURRENT</b>			
FVOCI investments			
(b) Investment in equities with fund managers		27,858,104	16,771,758
(c) Fixed income investments with fund managers		1,434,743	1,396,766
		<b>29,292,847</b>	<b>18,168,524</b>
<b>FVOCI financial assets</b>			
Shares in listed corporations at fair value:			
Balance at the beginning of the year		18,168,524	17,228,362
Purchases		8,400,000	1,900,000
Disposal of investment		-	-
Dividends reinvested		1,087,797	1,591,298
Fair value remeasurement gain / (loss)		1,636,526	(2,551,136)
Balance at the end of the year		<b>29,292,847</b>	<b>18,168,524</b>

FVOCI financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

## **NOTE 8 PROPERTY, PLANT AND EQUIPMENT**

	<b>NON-CURRENT</b>		
	At cost and accumulated depreciation		
<b>(a)</b>	<b>Land and improvements</b>		
	At cost	30,362,763	29,348,763
	<b>Buildings and improvements</b>		
	At cost	26,601,805	20,128,034
	Work in progress	420,795	-
	Less accumulated depreciation	7,249,181	6,095,349
		<b>19,773,419</b>	<b>14,032,685</b>
	<b>Plant and equipment</b>		
	At cost	21,808,264	18,991,671
	Less accumulated depreciation	11,616,553	10,810,049
		<b>10,191,711</b>	<b>8,181,622</b>
	<b>Total</b>	<b>60,327,893</b>	<b>51,563,070</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

## NOTE 8 PROPERTY, PLANT AND EQUIPMENT

(b)	Reconciliation of the carrying amount at the beginning and end of the current financial year				
	Land \$	Buildings \$	Plant and equipment \$	Work in Progress \$	Total \$
Net carrying amount at 30 June 2021	29,348,763	14,425,553	8,158,242	-	51,932,558
Additions	-	697,600	3,613,362	-	4,310,962
Disposals	-	-	(486,026)	-	(486,026)
Depreciation	-	(1,090,468)	(3,103,956)	-	(4,194,424)
Net carrying amount at 30 June 2022	29,348,763	14,032,685	8,181,622	-	51,563,070
Additions	1,014,000	6,473,771	5,687,159	420,795	13,595,725
Disposals	-	-	(722,851)	-	(722,851)
Depreciation	-	(1,153,832)	(2,954,219)	-	(4,108,051)
Net carrying amount at 30 June 2023	30,362,763	19,352,624	10,191,711	420,795	60,327,893

(c)	<b>Non-current asset held for sale</b>				
	NON-CURRENT				
	Land and buildings			-	4,286,760
				-	4,286,760

(d)	<b>Right of use assets</b>				
	NON-CURRENT				
	Right of use assets – Property			30,997,792	25,873,565
	Accumulated depreciation			(11,210,789)	(8,964,428)
				<b>19,787,003</b>	<b>16,909,137</b>
	Beginning net carrying amount			16,909,137	12,077,994
	Additions			8,480,476	7,338,615
	Carrying value write down			(2,723,465)	(1,353)
	Amortisation			(2,879,145)	(2,506,119)
	Ending net carrying amount			<b>19,787,003</b>	<b>16,909,137</b>

## NOTE 9 INTANGIBLE ASSETS

<b>NON-CURRENT</b>				
At cost – software development			5,584,722	4,820,960
Accumulated amortisation			(2,998,068)	(2,192,187)
			<b>2,586,654</b>	<b>2,628,773</b>
At cost – property licence			2,500,000	2,500,000
Accumulated amortisation			(373,793)	(291,293)
			<b>2,126,207</b>	<b>2,208,707</b>
			<b>4,712,861</b>	<b>4,837,480</b>

<b>NOTE 9 INTANGIBLE ASSETS (continued)</b>	<b>Software \$</b>	<b>Licences \$</b>	<b>Total \$</b>
Net carrying amount at 30 June 2022	2,628,773	2,208,707	4,837,480
Additions	763,762	-	763,762
Amortisation	(805,881)	(82,500)	(888,381)
Net carrying amount at 30 June 2023	2,586,654	2,126,207	4,712,861

<b>NOTE 10 TRADE AND OTHER PAYABLES</b>	<b>Note</b>	<b>2023 \$</b>	<b>2022 \$</b>
<b>CURRENT</b>			
Trade creditors		5,297,391	5,670,702
Other creditors		6,953,522	9,716,877
		12,250,913	15,387,579

<b>NOTE 11 PROVISIONS</b>			
<b>CURRENT PROVISIONS</b>			
Employee Benefits			
Long service leave			
Unconditional and expected to settle within 12 months (Nominal value)		4,416,235	3,532,276
Annual and purchased leave			
Unconditional and expected to settle within 12 months (Nominal value)		7,226,544	6,225,451
Unconditional and expected to settle after 12 months (Present value)		1,619,741	1,616,733
Time in lieu			
Unconditional and expected to settle within 12 months (Nominal value)		239,334	199,746
Total current provisions		13,501,854	11,574,206
<b>NON-CURRENT PROVISIONS</b>			
Employee Benefits			
Long service leave			
Conditional and expected to settle after 12 months (Present value)		1,808,333	1,716,637
Makegood provision			
Makegood expected to settle after 12 months (Present value)		1,695,613	1,615,010
Total non-current provisions		3,503,946	3,331,647

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

NOTE 12	OTHER AND LEASE LIABILITIES	Note	2023 \$	2022 \$
<b>(a)</b>	<b>OTHER LIABILITIES</b>			
(i)	CURRENT			
	Unexpended income and government grants		22,983,269	16,635,698
<b>(b)</b>	<b>LEASE LIABILITIES</b>			
(i)	CURRENT			
	Land and buildings		7,550,447	4,406,079
(ii)	NON-CURRENT			
	Land and buildings		13,700,072	13,343,887
<b>(c)</b>	<b>CONTRACT LIABILITY</b>			
(i)	NON-CURRENT		-	1,131,000

### NOTE 13 RELATED PARTY TRANSACTIONS

#### (a) KEY MANAGEMENT PERSONNEL

Any person(s) having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

Key management personnel compensation	4,571,841	4,011,736
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#### (b) RELATED PARTIES

The Directors of the Company, key management personnel, Mercy Community Services Australia Limited (MCSAL) and Mercy Ministry Companions Limited (MMCL) were the only related parties. MCSAL and MMCL are holding companies of MacKillop.

In addition to payments to key management personnel, a payment was made to MMCL of \$90,000 for governance services.

During the year there were no other financial transactions with related parties other than disclosed.

#### (c) DIRECTORS' REMUNERATION

The Directors of the Company have received no benefits during the financial year for the performance of their duties as directors.

### NOTE 14 OPERATING LEASE COMMITMENTS

Rental commitments of properties under non-cancellable leases payable:

Not later than one year and/or low value	315,327	572,462
	315,327	572,462

<b>NOTE 15 SEGMENT INFORMATION</b>	<b>Note</b>	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
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**(a) Industry**

MacKillop operates in the sole area of providing welfare and education services for vulnerable children, young people, and their families.

**(b) Geographical**

MacKillop currently operates in Victoria, New South Wales, Western Australia, Australian Capital Territory and Northern Territory.

**NOTE 16 CAPITAL COMMITMENTS**

The Company has provided a letter of intent to Meridian Constructions Services confirming their tender for \$4,694,459 to complete refurbishment works of a building in Allandale Sydney for the new MacKillop Waranara school has been accepted subject to the execution of formal contract documents.

**NOTE 17 CONTINGENT LIABILITIES**

Following the Royal Commission into Institutional Responses to Child Sexual Abuse, MacKillop is registered with the National Redress Scheme which means it is liable to fund either fully or partially any claims approved under the scheme that impact on MacKillop. Given there is very little data on the potential claims and the subsequent liability, MacKillop is not able to quantify the potential liability, if any.

MacKillop currently has a number of court matters occurring that are being managed by its insurer and their appointed Lawyers. Given there has been no decisions in the matters and the outcomes are unknown MacKillop is not able to quantify the potential liability, if any.

**NOTE 18 EVENTS SUBSEQUENT TO REPORTING DATE**

The financial report was authorised for issue on 18 October 2023 by resolution of the Board of Directors.

McAuley Community Services for Women has moved under the auspices of MacKillop from 1 October 2023.

There have been no matters or circumstances which have arisen since the end of the financial year which may significantly affect the operations of the organization, the results of those operations or the state of affairs of the organization in subsequent years.

**NOTE 19 FINANCIAL RISK MANAGEMENT**

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable.

The carrying amounts of each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

**Financial assets**

Cash and cash equivalents	5	34,931,092	36,658,041
Trade and other receivables	6 (a)	5,577,466	12,556,523
Investments at amortised cost	7(a)	12,000,000	4,600,000
FVOCI financial assets	7(b)&(c)	29,292,847	18,168,524
<b>Total financial assets</b>		<b>81,801,405</b>	<b>71,983,088</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (CONTINUED)

NOTE 19	FINANCIAL RISK MANAGEMENT (continued)	Note	2023 \$	2022 \$
	<b>Financial liabilities</b>			
	Financial liabilities at amortised cost:			
	- trade and other payables	10	12,250,913	15,387,579
	<b>Total financial liabilities</b>		<b>12,250,913</b>	<b>15,387,579</b>

### Fair Values

For Listed FVOCI financial assets the fair values have been based on closing quoted bid prices at the end of the reporting period.

In determining the fair values of the unlisted FVOCI financial assets, the Directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).



# DIRECTORS' DECLARATION

## MacKillop Family Services Limited

ABN 79 078 299 288

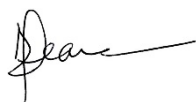
30 June 2023

The Directors declare that in their opinion:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- (b) the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant with subsection 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

On behalf of the Directors:



Mr Brian Keane  
Director



Mr John Sutherland  
Director

18 October 2023



# Independent Auditor's Report

## To the Members of MacKillop Family Services Ltd

### Opinion

We have audited the financial report of MacKillop Family Services Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to and forming part of the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022* and the *Corporations Regulations 2001*.

### 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 *Corporations Act 2001* 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

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors' Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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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 the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 intend to liquidate the Company or to cease operations, or have 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with 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 control.
- 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 control.
- 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.

- 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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.



**Crowe Audit Australia**



**Cassandra Gravenall**

Associate Partner

19 October 2023  
Geelong







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Family  
Services**

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We'd love to share with you our latest news, initiatives, community events and some of the great differences our teams are making to those in need.

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-  Twitter @[mackillopfs](https://twitter.com/mackillopfs)

MacKillop Family Services Limited is incorporated under the Corporations Act 2001 (Cth) as a company limited by guarantee (ABN 79 078 299 288, CAN 078 299 288). We trade under the name MacKillop Family Services and are subject to the MacKillop Family Services Act 1998 and the Australian Charities and Not-for-Profit Commission Act 2012.



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