

MERCY WORKS LIMITED
ABN 37 147 042 466

FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2022

The following financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, and the presentation and disclosure requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID website, www.acfid.asn.au.

**MERCY WORKS LIMITED
FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

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General information

The consolidated financial report covers Mercy Works Limited (Company), two Trust Funds, The Sisters of Mercy Overseas Aid Fund and The Australian Mercy Works Charitable Trust, and MWLPNG Limited. The financial report is presented in Australian dollars, which is the functional and presentation currency of the Company.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

The Company is a not-for-profit unlisted public company limited by guarantee, a registered charity with the Australian Charities and Not-for-Profits Commission, incorporated and domiciled in Australia. Its registered office and principal place of business is:

6 Victoria Road
PARRAMATTA NSW 2150

MERCY WORKS LIMITED

DIRECTORS' REPORT

The directors present their report together with the consolidated financial statements of the Group, comprising of Mercy Works Limited (Company), two Trust Funds, The Sisters of Mercy Overseas Aid Fund and The Australian Mercy Works Charitable Trust, and MWLPNG Limited, for the year ended 30 June 2022.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Appointment/ Resignation
Mr Travis Bowman	
Mr Francis Elvey	
Sr Duyen Thi My Nguyen	
Sr Catherine Ryan, RSM	
Mr Mark Sleight	
Mr Joseph Zabar	Appointed on 24 November 2021
Mr Steven Collins	Appointed on 24 November 2021
Ms Catherine Glenister	Appointed on 24 November 2021
Ms Kerrie Walshaw	Appointed on 24 November 2021
Mrs Megan Giles	Resigned on 24 November 2021
Ms Kathleen Donnellon	Resigned on 24 November 2021

PRINCIPAL ACTIVITY

The principal activities of the Group during the year were to support local relief and development activities that are part of the vision and mission of the Sisters of Mercy across Australia and Papua New Guinea.

The programs engage partnerships with communities to promote justice, self-reliance and to support displaced people and communities who are denied access to basic resources such as education, health care and social welfare.

These programs strongly endorse the principles of freedom, mutual respect, participation and protection of the rights and responsibilities of all. No significant changes in the nature of these activities occurred during the year.

SHORT-TERM AND LONG-TERM OBJECTIVES AND STRATEGIES

The Group's objective and purpose is to work in partnership with local community organisations to support the most vulnerable, both within Australia and elsewhere in the Asia Pacific region, with a particular focus on women and children. The programs and partnerships strive to build capacity and self-reliance and to foster environmental sustainability which emphasises the values of Mutuality, Integrity, Compassion and Justice.

The Group operates at all times as part of the mission of the Catholic Church in conformity with canon law and in strict conformity with the ethical framework of the members as determined, in fidelity to the teachings and example of Christ and the teachings of the Catholic Church, from time to time by the members.

MERCY WORKS LIMITED

DIRECTORS' REPORT (cont.)

INFORMATION ON DIRECTORS

Mr Joseph Zabar

Current Board Chair (appointed on 24 November 2021)

Joe is Principal of his consulting business specialising in charity regulation, workforce and governance. He has held several senior executive roles across the charity sector, most recently as Deputy CEO of Catholic Social Services Australia. Joe brings a depth of knowledge and understanding of the role faith-based charities play in delivering services to the poor and vulnerable both in Australia and overseas as well as their value in advocating for social justice.

Mr Travis Bowman

Board Member, Chair of Finance Risk and Audit Committee

Travis is a Chartered Accountant and Registered Company Auditor. He has worked with professional services firm KPMG for over 16 years across a variety of both large and small organisations. Travis brings a depth of experience in financial accounting as well as experience in risk assessment and mitigation as well as governance issues.

Sr Catherine Ryan

Board Member

Catherine's initial ministry as a Religious Sister of Mercy was in primary education, including teaching, principalship and leadership development. She has had extensive pastoral experience working with socially disadvantaged families in Western Sydney. Catherine has served in leadership positions in her Congregation and most recently on the Curia of the Diocese of Parramatta.

Mr Mark Sleight

Board Member, Finance, Risk and Audit Committee Member and Program Committee Member.

Mark is a Fellow of the Institute of Chartered Accountants, initially working with Price Waterhouse, Perth and Birmingham, UK. Mark has 30 years' experience in commerce and industry in various roles including CFO and Finance Director. Mark's exposure to private company boards and committees brings a commercial dynamic from a broad spectrum of industries. The involvement and experience gained with Mercedes College, Perth has developed Mark's desire to continue the Mercy cause on the Board and committees of Mercy Works Ltd.

Sr Duyen Thi My Nguyen

Board Member

A Religious Sister of Mercy, Duyen has a background in Education and Theology. She has taught in different schools in South Australia and has extensive experience in working with people of different backgrounds and cultures. Duyen also has a background in accounting and has been working with Mercy Works staff in PNG in building their capacity in relation to finances. Duyen has also been involved in supporting Refugees and Asylum Seekers in South Australia.

Mr Francis Elvey

Board Member, Chair of Program Committee

Frank has many years of community development experience, primarily in Asia and the Pacific, including eight years living and working in Timor-Leste and four years based in Hong Kong, as well as earlier work with refugees in Australia and overseas. He has held senior regional management roles with both Caritas and Oxfam. Frank also has a background in theology and philosophy, including a focus on social justice and Catholic Social Teaching.

MERCY WORKS LIMITED

DIRECTORS' REPORT (cont.)

INFORMATION ON DIRECTORS (cont.)

Ms Catherine Glenister

Board Member (appointed on 24 November 2021)

Catherine has worked in Catholic Education for over 35 years, the last decade in Mercy Education. Her experience includes establishing a number of programs and curriculum. She has a background in educational leadership and community building. As Justice Leader, Catherine has developed and implemented a variety of justice programs within the school and broader community, developing rich connections with people seeking asylum and Indigenous communities. She maintains strong relationships between the school and community groups, including Young Mercy Links, St Mary's House of Welcome, and the Hope Co Op. Catherine is a member of the Seeds of Justice committee and on the advisory committee for Young Mercy Links.

Mr Steven Collins

Board Member (appointed on 24 November 2022)

Steven is a strategy and stakeholder engagement specialist, dealing particularly in First Nations issues with a track record facilitating complex discussions to achieve positive outcomes for all parties involved. Steven also brings a wealth of experience in understanding and engaging with government.

Ms Kerrie Walshaw

Board Member (appointed on 24 November 2021)

Kerrie has worked in a range of executive roles in tertiary education, local government and the corporate sector mainly in the areas of human resources, organisational development and corporate strategic planning. She has also consulted with clients such as TAFE, local councils, AusAid and Western Sydney University. Since 2007 Ms Walshaw has been Chair of Board of Our Lady of Mercy College Parramatta.

Ms Kathleen Donnellon

Board Chair (resigned on 24 November 2021), Strategic Plan Oversight Committee Member, Finance Risk and Audit Committee Member.

Kathleen is an experienced lawyer and mediator. She has worked in private practice, as well as in community law. For a number of years, she ran the conciliation section of the Legal Profession Tribunal in Melbourne. She also worked as an Academic for 10 years at the Melbourne Law School, University of Melbourne, where she undertook research into legal ethics, and lectured in dispute resolution. She has extensive board experience.

Mrs Megan Giles

Board Member (resigned on 24 November 2021)

Megan is the Head of Strategic Communication at Sunsuper. She brings a depth of experience to the board including specialisation in marketing, communications and crisis management.

MERCY WORKS LIMITED

DIRECTORS' REPORT (cont.)

MEETINGS OF DIRECTORS

The number of Company Board of Directors meetings held from the start of the financial period to the date of this report, and the number of meetings attended by each director were:

Name	Number eligible to attend	Number attended
Mr Travis Bowman	6	6
Mr Francis Elvey	6	5
Sr Duyen Thi My Nguyen	6	4
Sr Catherine Ryan, RSM	6	6
Mr Mark Sleight	6	4
Mr Joseph Zabar	3	3
Mr Steven Collins	3	2
Ms Catherine Glenister	3	3
Ms Kerrie Walshaw	3	3
Mrs Megan Giles	3	1
Ms Kathleen Donnellon	3	3

GOVERNANCE PROCESS

The process is governed by the Board of Directors and Executive Management. The Board has two standing committees (Program Committee and Finance, Risk and Audit Committee). The Group regularly prepares reports for Board review which compares the income and expenditure within that period and year to date, against budgeted figures. Any variations between the budgeted and actual figures are reviewed and comments / reasoning are stated and if necessary appropriate actions are taken by management.

AUDITORS INDEPENDENCE DECLARATION

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

This report is made in accordance with a resolution of Directors.

On behalf of the Directors;



Joseph Zabar

01 November 2022 | 12:00 PM AEDT

Date:

**MERCY WORKS LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

To the Directors of Mercy Works Limited

I declare that to the best of my knowledge and belief, in relation to the audit of Mercy Works Limited for the year ended 30 June 2022 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.

NOT FOR PROFIT ACCOUNTING SPECIALISTS

KESWICK SA 5035



Ian Mostert CPA

Registered Company Auditor No. 539768

Dated: 1 November 2022

MERCY WORKS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
REVENUE			
Monetary Donations and Gifts			
From Members		378,660	475,084
From Other Parties		739,430	852,850
Total Monetary Donations and Gifts		<u>1,118,090</u>	<u>1,327,934</u>
Bequests and Legacies		33,448	-
Australian Non-Government Grant Income		91,014	274,165
TOTAL REVENUE		<u>1,242,552</u>	<u>1,602,099</u>
OTHER INCOME			
Interest Received		97,765	95,504
Distributions Received from Investments		93,030	20,180
Gain on Revaluation of Investments		-	51,756
TOTAL REVENUE & OTHER INCOME		<u>1,433,347</u>	<u>1,769,539</u>
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
Funds to International Programs		353,377	426,008
Program Support Costs		43,944	57,989
Community Education		42,420	64,716
Public Fundraising Costs		38,064	68,472
Accountability and Administration		146,874	178,426
Other Expenditure		-	559
Total International Aid and Development Programs Expenditure		<u>624,679</u>	<u>796,170</u>
Domestic Programs Expenditure		621,714	414,876
Loss on Revaluation of Investments		109,419	-
TOTAL EXPENDITURE	3	<u>1,355,812</u>	<u>1,211,046</u>
SURPLUS FOR THE YEAR		<u>77,535</u>	<u>558,493</u>
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>77,535</u>	<u>558,493</u>

The accompanying notes form part of these financial statements

MERCY WORKS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash & Cash Equivalents	4	262,721	518,928
Trade & Other Receivables	5	9,812	16,023
Financial Assets	6	2,496,914	2,399,168
Other Assets	7	16,216	16,019
TOTAL CURRENT ASSETS		<u>2,785,663</u>	<u>2,950,138</u>
NON-CURRENT ASSETS			
Financial Assets	6	1,230,547	1,096,936
Property, Plant & Equipment	8	10,481	2,095
Right-of-use Assets	9	9,233	17,756
TOTAL NON-CURRENT ASSETS		<u>1,250,261</u>	<u>1,116,787</u>
TOTAL ASSETS		<u>4,035,924</u>	<u>4,066,925</u>
CURRENT LIABILITIES			
Trade & Other Payables	10	43,353	140,929
Provisions	11	37,069	28,385
Other Liabilities	12	135,588	157,740
Lease Liability	13	27,620	-
TOTAL CURRENT LIABILITIES		<u>243,630</u>	<u>327,054</u>
NON-CURRENT LIABILITIES			
Provisions	11	12,192	10,830
Lease Liability	13	1,890	28,364
TOTAL NON-CURRENT LIABILITIES		<u>14,082</u>	<u>39,194</u>
TOTAL LIABILITIES		<u>257,712</u>	<u>366,248</u>
NET ASSETS		<u>3,778,212</u>	<u>3,700,677</u>
EQUITY		<u>3,778,212</u>	<u>3,700,677</u>

The accompanying notes form part of these financial statements

MERCY WORKS LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2022

	Retained Earnings \$
BALANCE AS AT 1 JULY 2020	3,142,184
Surplus for the Year	558,493
BALANCE AT 30 JUNE 2021	<u>3,700,677</u>
BALANCE AS AT 1 JULY 2021	3,700,677
Surplus for the Year	77,535
BALANCE AT 30 JUNE 2022	<u><u>3,778,212</u></u>

The accompanying notes form part of these financial statements

MERCY WORKS LIMITED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from Donations, Grants & Bequests		1,226,609	1,644,124
Interest Received		97,765	95,504
Investment Distribution Received		30,956	5,651
Payments for Programs to Suppliers & Employees		(1,321,806)	(1,136,982)
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	<u>33,524</u>	<u>608,297</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Financial Assets		(278,701)	(1,124,570)
Acquisition of Property, Plant & Equipment		(11,030)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(289,731)</u>	<u>(1,124,570)</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>(256,207)</u>	<u>(516,273)</u>
CASH AT BEGINNING OF THE FINANCIAL YEAR		518,928	1,035,201
CASH AT END OF THE FINANCIAL YEAR	4	<u><u>262,721</u></u>	<u><u>518,928</u></u>

The accompanying notes form part of these financial statements

MERCY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. CORPORATE INFORMATION

The financial statements of Mercy Works Limited (Company), for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 26 October 2022.

The Company is a not-for-profit unlisted public company limited by guarantee and is incorporated and domiciled in Australia.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The Board have prepared the financial report on the basis that the Company is not a reporting entity as there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared for use by the directors and members of the Company in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the requirements set out in the Australian Council for International Development (ACFID) Code of Conduct. For further information on the Code please refer to the ACFID website at www.acfid.asn.au.

The Company is a not-for-profit entity for the purpose of preparing the financial statements.

The consolidated financial report covers Mercy Works Limited, two Trust Funds, The Sisters of Mercy Overseas Aid Fund and The Australian Mercy Works Charitable Trust, and MWLPNG Limited (together referred to as the 'Group'). The Trust Funds are registered in Australia and MWLPNG Limited is an unlisted public company limited by guarantee, incorporated in Australia.

These financial statements are presented in Australian dollars (\$), and have been prepared in accordance with the following Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB):

AASB 101 Presentation of Financial Statements

AASB 107 Statement of Cash Flows

AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1048 Interpretation and Application of Standards

AASB 1054 Australian Additional Disclosures

No assessment has been made to identify if there are any material accounting policies applied and disclosed in these financial statements that do not comply with all the recognition and measurement requirements in Australian Accounting Standards. Further, no assessment has been made to identify whether or not the financial statements overall comply with all the recognition and measurement requirements in the Australian Accounting Standards.

These financial statements do not conform with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, with the exception of long service leave carried at the discounted net present value.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

MERCY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

b) Foreign Currency Translations and Balances

Transactions in foreign currencies of the company are translated into functional currency at the rate of exchange ruling at the date of the transaction. Foreign currency monetary items that are outstanding at the reporting date are translated using the spot rate at the end of the financial year. All resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

c) Revenue Recognition

Revenue arises from donations, bequests & legacies, grants, interest received and distributions from investments.

All revenue is stated at the amount net of goods and services tax.

Donations, Bequests & Legacies

Donations, bequests & legacies are recognised as revenue when received, unless the donor have prescribed within an agreement, the manner in which the funds are to be used, whereby the revenue is recognised once the donor's requirements have been met. Deferred income is reported as other liabilities in the statement of financial position.

Grant Income

Revenue from grant income is recognised once the obligations prescribed by the underlying grant agreement have been met.

Interest Received

Interest revenue is measured in accordance with the effective interest method.

Distributions from Investments

Distributions received from investments are recognised when the right to receive a distribution has been established.

d) Income Tax

The Group is exempt from income tax pursuant to the *Income Tax Assessment Act 1997*.

e) Goods & 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 the expense.

f) Cash & Cash Equivalents

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

g) Deferred income

Deferred income represents funds received for specific projects which have not been expended in the current financial year.

MERCY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

h) Financial Assets

Managed portfolio investments are initially recognised at cost and subsequently revalued at the end of the financial period to their market value.

i) Property, Plant & Equipment

Property, plant and equipment over \$1,500 are recorded as fixed assets at cost. Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

The depreciable amounts of all fixed assets are depreciated over their useful lives commencing from the time the asset is held ready for use. Assets purchased are depreciated on a diminishing value basis.

Class of Fixed Asset	Depreciation Rates
Computer Equipment	25%

j) Employee Entitlements

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

The Group's liability for long service leave is included in other long-term benefits if they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any remeasurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

k) Leased Assets

The Group considers whether a contract entered into by the Group as a lessee is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- 1 The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- 2 The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- 3 The Group has the right to direct the use of the identified asset throughout the period of use, assessing whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

MERCY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

k) Leased Assets (cont.)

Measurement and Recognition of Leases as a Lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which consists of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date, net of any incentives received.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available, or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

	2022	2021
	\$	\$
3. EXPENDITURE		
Included in total expenditure are the following:		
Employee Benefits, including Ministerial Stipends	643,039	613,061
Depreciation		
Computer Equipment	2,645	2,695
Right-of-use Assets - Land & Buildings	8,523	8,523
	<u>11,168</u>	<u>11,218</u>
Foreign Currency Translation Losses	-	559
Auditor Remuneration Paid & Payable		
Audit Fees	11,235	10,500
Preparation of Financial Statements	2,250	2,100
Total Auditor Remuneration	<u>13,485</u>	<u>12,600</u>
4. CASH & CASH EQUIVALENTS		
Cash on Hand	138	138
Cash at Bank	262,583	518,790
	<u>262,721</u>	<u>518,928</u>

MERCY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
5. TRADE & OTHER RECEIVABLES		
Other Receivables	4,780	13,735
GST Receivables	5,032	2,289
	<u>9,812</u>	<u>16,023</u>
6. FINANCIAL ASSETS		
Current		
Fixed Interest Deposit	<u>2,496,914</u>	<u>2,399,168</u>
Non-Current		
Income Trust	-	278,442
Catholic Values Trust	1,230,547	818,494
	<u>1,230,547</u>	<u>1,096,936</u>
The fixed interest deposit is held with the Institute Property Association Limited, maturing annually.		
Non-Current		
Income Trust	-	278,442
Catholic Values Trust	1,230,547	818,494
	<u>1,230,547</u>	<u>1,096,936</u>
These non-current investments are managed portfolio's held with CCI Asset Management and are reported at their market value on the statement of financial position as at 30 June 2022.		
During the current financial year, the funds held in the Income Trust portfolio were reinvested into the Catholic Values Trust portfolio.		
7. OTHER ASSETS		
Prepayments	<u>16,216</u>	<u>16,019</u>
8. PROPERTY, PLANT & EQUIPMENT		
Computer Equipment		
At Cost	45,936	34,905
Accumulated Depreciation	<u>(35,455)</u>	<u>(32,810)</u>
	<u>10,481</u>	<u>2,095</u>
9. RIGHT-OF-USE ASSETS		
Land & Buildings		
At Cost	45,347	45,347
Accumulated Depreciation	<u>(36,114)</u>	<u>(27,591)</u>
	<u>9,233</u>	<u>17,756</u>
10. TRADE & OTHER PAYABLES		
Trade Creditors	2,314	540
Other Payables	12,280	123,129
Accrued Expenses	28,759	17,260
	<u>43,353</u>	<u>140,929</u>
11. PROVISIONS		
Current		
Provision for Annual Leave	<u>37,069</u>	<u>28,385</u>

MERCY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
11. PROVISIONS (cont.)		
Non-Current		
Provision for Long Service Leave	<u>12,192</u>	<u>10,830</u>
12. OTHER LIABILITIES		
Deferred Income	<u>135,588</u>	<u>157,740</u>

13. LEASE LIABILITIES

The Group has leases for its office and office equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Lease liabilities are presented in the statement of financial position as follows:

	2022	2021
	\$	\$
Current	27,620	-
Non-Current	1890	28,364

At 30 June 2022, the Group was committed to short-term leases and low value asset leases totalling \$4,814 (2021: \$9,257).

14. CASH FLOW INFORMATION

Reconciliation of operating surplus for the year to net cash flow from operating activities

Operating Result	77,535	558,493
Non-cash Flows in Operating Result:		
Interest on Lease Liability	1,144	1,103
Depreciation	11,168	11,218
Loss/(Gain) on Revaluation of Investment	109,419	(51,756)
Investment Distribution Receivable	(62,075)	(14,529)
Changes in Assets & Liabilities:		
(Increase)/Decrease in Trade & Other Receivables	6,211	85,940
(Increase)/Decrease in Other Assets	(198)	13,533
Increase/(Decrease) in Trade & Other Payables	(97,576)	56,383
Increase/(Decrease) in Other Liabilities	(22,152)	(43,916)
Increase/(Decrease) in Provisions	10,046	(8,172)
Cash flows from operating activities	<u>33,524</u>	<u>608,297</u>

15. MEMBERS GUARANTEE

Mercy Works Limited (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 \$5 each towards meeting any outstanding obligations of the Company. At 30 June 2022, the Company had 8 (2021: 8) members. The combined total amount that members of the Company would be liable to contribute if the Company wound up is \$40 (2021: \$40).

MERCY WORKS LIMITED
DIRECTORS' DECLARATION

In the Director's opinion:

1. the attached consolidated financial statements and notes thereto give a true and fair view of the financial position of the Group on 30 June 2022 and of their performance for the financial year ended on that date;
2. the attached financial statements and notes thereto comply with the Australian Charities and Not-for-profits Commission Act 2012, the Accounting Standards as described in note 2 to the financial statements, the Australian Charities and Not-for-profits Commission Regulation 2013 and other mandatory professional reporting requirements; and
3. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to *section 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulation 2013* .

On behalf of the Directors:



Joseph Zabar

01 November 2022 | 12:00 PM AEDT

Date:



1300 123 637 • enquiries@nfpas.com.au • www.nfpas.com.au

INDEPENDENT AUDITOR'S REPORT FOR MERCY WORKS LIMITED

Auditor's Opinion

We have audited the financial report, being a special purpose financial report, of Mercy Works Limited for the year ended 30 June 2022, comprising the statement of financial position, statement of changes in equity, statement of profit or loss and other comprehensive income, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of Mercy Works Limited has been prepared in accordance with the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, and the requirements of the *ACFID Code of Conduct*, including:

- giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- complying with the Australian Accounting Standards to the extent described in Note 2, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other 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.

Information Other than the Financial Report and Auditor's Report Thereon

The Board Members of the entity are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to the Board Members.



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Liability limited by a scheme approved under Professional Standards Legislation

The Responsibility of the Board Members for the Financial Report

The Board Members of the entity are responsible for the preparation and fair presentation of the financial report, and have determined that the financial report has been prepared in accordance with the Australian Accounting Standards prescribed in Note 2 to the financial statements and that the accounting policies used and described in Note 2 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the members, the *ACFID Code of Conduct*, and the *Australian Charities and Not-for-profits Commission Act 2012*. The Board Members' responsibility also includes such internal control as management determines 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 Board Members are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so. The Board Members are responsible for overseeing the entity'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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Committee website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Basis of Accounting and Restriction and Distribution of Use

Without modifying our opinion, we draw attention to the fact that the financial report is prepared to assist Mercy Works Limited to comply with the financial reporting provisions of the *Australian Charities and Not-for-profits Commission Act 2012* and the *ACFID Code of Conduct*, as a result, the financial report may not be suitable for another purpose.

NOT FOR PROFIT ACCOUNTING SPECIALISTS

KESWICK SA 5035



Ian Mostert CPA

Registered Company Auditor No 539768

Dated: 1 November 2022