

**MERCY WORKS LIMITED**  
**ABN 37 147 042 466**

**FINANCIAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED**  
**30 JUNE 2023**

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](http://www.acfid.asn.au).

**MERCY WORKS LIMITED  
FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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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 2023.

### 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:

<b>Name</b>	<b>Appointment/ Resignation</b>
Mr. Joseph Zabar	
Mr. Travis Bowman	
Sr. Catherine Ryan, RSM	
Mr. Francis Elvey	
Mr. Steven Collins	
Ms Catherine Glenister	
Ms Kerrie Walshaw	
Mr. Mark Sleight	Resigned on 17 October 2023
Sr. Duyen Thi My Nguyen, RSM	Resigned on 23 November 2022

### 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.

### INFORMATION ON DIRECTORS

#### Mr Joseph Zabar

Current Board Chair

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.

## **MERCY WORKS LIMITED DIRECTORS' REPORT (cont.)**

### **INFORMATION ON DIRECTORS (cont.)**

#### **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 17 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 (resigned on 17 October 2023)**

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.

#### **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.

#### **Ms Catherine Glenister**

Board Member

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

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.

## MERCY WORKS LIMITED DIRECTORS' REPORT (cont.)

### INFORMATION ON DIRECTORS (cont.)

#### Ms Kerrie Walshaw

Board Member

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.

#### Sr Duyen Thi My Nguyen

Board Member (resigned on 23 November 2022)

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.

### 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. Joseph Zabar	5	5
Mr Travis Bowman	5	4
Ms. Kerrie Walshaw	5	5
Ms. Catherine Glenister	5	5
Sr Catherine Ryan, RSM	5	3
Mr Mark Sleight	5	5
Mr Francis Elvey	5	4
Mr. Steven Collins	5	4
Sr Duyen Thi My Nguyen, RSM	3	1

### 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*

Joseph Zabar

02 November 2023

Date:

**MERCY WORKS LIMITED  
AUDITOR'S INDEPENDENCE DECLARATION  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

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 2023 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



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**Ian Mostert CPA**

Registered Company Auditor No. 539768

7 November 2023

Dated:

**MERCY WORKS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>REVENUE</b>			
Monetary Donations and Gifts			
From Members		445,422	378,660
From Other Parties		706,430	739,430
Total Monetary Donations and Gifts		1,151,852	1,118,090
Bequests and Legacies		49,706	33,448
Australian Non-Government Grant Income		144,995	91,014
<b>TOTAL REVENUE</b>		1,346,553	1,242,552
<b>OTHER INCOME</b>			
Interest Received		103,744	97,765
Distributions Received from Investments		108,782	93,030
Gain on Revaluation of Investments		57,400	-
<b>TOTAL REVENUE &amp; OTHER INCOME</b>		1,616,479	1,433,347
<b>EXPENDITURE</b>			
International Aid and Development Programs Expenditure			
International Programs			
Funds to International Programs		322,263	353,377
Program Support Costs		109,180	43,944
Community Education		33,828	42,420
Public Fundraising Costs		66,552	38,064
Accountability and Administration		164,700	146,874
Total International Aid and Development Programs Expenditure		696,523	624,679
Domestic Programs Expenditure		524,219	621,714
Loss on Revaluation of Investments		-	109,419
<b>TOTAL EXPENDITURE</b>	3	1,220,743	1,355,812
<b>SURPLUS FOR THE YEAR</b>		395,736	77,535
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		395,736	77,535

The accompanying notes form part of these financial statements

**MERCY WORKS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	4	288,386	262,721
Trade & Other Receivables	5	15,031	9,812
Financial Assets	6	2,598,642	2,496,914
Other Assets	7	15,955	16,216
<b>TOTAL CURRENT ASSETS</b>		<u>2,918,014</u>	<u>2,785,663</u>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	6	1,396,729	1,230,547
Property, Plant & Equipment	8	11,817	10,481
Right-of-use Assets	9	-	9,233
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,408,546</u>	<u>1,250,261</u>
<b>TOTAL ASSETS</b>		<u>4,326,560</u>	<u>4,035,924</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	10	26,652	43,353
Provisions	11	39,813	37,069
Other Liabilities	12	76,629	135,588
Lease Liability	13	-	27,620
<b>TOTAL CURRENT LIABILITIES</b>		<u>143,094</u>	<u>243,630</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	9,518	12,192
Lease Liability	13	-	1,890
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>9,518</u>	<u>14,082</u>
<b>TOTAL LIABILITIES</b>		<u>152,612</u>	<u>257,712</u>
<b>NET ASSETS</b>		<u>4,173,948</u>	<u>3,778,212</u>
<b>EQUITY</b>		<u>4,173,948</u>	<u>3,778,212</u>

The accompanying notes form part of these financial statements



**MERCY WORKS LIMITED  
STATEMENT OF CHANGES IN EQUITY  
AS AT 30 JUNE 2023**

	<b>Retained Earnings</b>
	<b>\$</b>
<b>BALANCE AS AT 1 JULY 2021</b>	3,700,677
Surplus for the Year	<u>77,535</u>
<b>BALANCE AT 30 JUNE 2022</b>	3,778,212
<b>BALANCE AS AT 1 JULY 2022</b>	3,778,212
Surplus for the Year	<u>395,736</u>
<b>BALANCE AT 30 JUNE 2023</b>	<u><u>4,173,948</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 2023**

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from Donations, Grants & Bequests		1,282,375	1,226,609
Interest Received		103,744	97,765
Investment Distribution Received		108,782	30,956
Payments for Programs to Suppliers & Employees		<u>(1,252,978)</u>	<u>(1,321,806)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	14	<u>241,924</u>	<u>33,524</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of Financial Assets		(210,510)	(278,701)
Acquisition of Property, Plant & Equipment		<u>(5,748)</u>	<u>(11,030)</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<u>(216,258)</u>	<u>(289,731)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<u>25,665</u>	<u>(256,207)</u>
<b>CASH AT BEGINNING OF THE FINANCIAL YEAR</b>		262,721	518,928
<b>CASH AT END OF THE FINANCIAL YEAR</b>	4	<u><u>288,386</u></u>	<u><u>262,721</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 2023**

**1. CORPORATE INFORMATION**

The financial statements of Mercy Works Limited (Company), for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 1 November 2023.

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](http://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 disclosure requirements of paragraphs 189-192 and 197-203 of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, and 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 2023**

**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 2023**

**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.

<b>Class of Fixed Asset</b>	<b>Depreciation Rates</b>
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 2023**

**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.

**l) Significant Accounting Judgement, Estimates & Assumptions**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

There are no estimates or judgements which have risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>3. EXPENDITURE</b>		
Included in total expenditure are the following:		
<b>Employee Benefits, including Ministerial Stipends</b>	637,788	643,039
<b>Depreciation</b>		
Computer Equipment	4,412	2,645
Right-of-use Assets - Land & Buildings	-	8,523
	4,412	11,168
<b>Auditor Remuneration Paid &amp; Payable</b>		
Audit Fees	11,235	11,235
Preparation of Financial Statements	2,375	2,250
Total Auditor Remuneration	13,610	13,485

**MERCY WORKS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>4. CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand	138	138
Cash at Bank	288,248	262,583
	<u>288,386</u>	<u>262,721</u>
<b>5. TRADE &amp; OTHER RECEIVABLES</b>		
Other Receivables	7,265	4,780
GST Receivables	7,266	5,032
Debtors	500	-
	<u>15,031</u>	<u>9,812</u>
<b>6. FINANCIAL ASSETS</b>		
<b>Current</b>		
Fixed Interest Deposit	<u>2,598,642</u>	<u>2,496,914</u>
The fixed interest deposit is held with the Institute Property Association Limited, maturing annually.		
<b>Non-Current</b>		
Catholic Values Trust	<u>1,396,729</u>	<u>1,230,547</u>
The non-current investment is a managed portfolio held with CCI Asset Management and is reported at its market value on the statement of financial position as at 30 June 2023.		
<b>7. OTHER ASSETS</b>		
Prepayments	<u>15,955</u>	<u>16,216</u>
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>Computer Equipment</b>		
At Cost	32,075	45,936
Accumulated Depreciation	<u>(20,258)</u>	<u>(35,455)</u>
	<u>11,817</u>	<u>10,481</u>
<b>9. RIGHT-OF-USE ASSETS</b>		
<b>Land &amp; Buildings</b>		
At Cost	-	45,347
Accumulated Depreciation	<u>-</u>	<u>(36,114)</u>
	<u>-</u>	<u>9,233</u>
<b>10. TRADE &amp; OTHER PAYABLES</b>		
Trade Creditors	1,956	2,314
Other Payables	11,981	12,280
Accrued Expenses	12,715	28,759
	<u>26,652</u>	<u>43,353</u>
<b>11. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	<u>39,813</u>	<u>37,069</u>

**MERCY WORKS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>11. PROVISIONS (cont.)</b>		
<b>Non-Current</b>		
Provision for Long Service Leave	<u>9,518</u>	<u>12,192</u>
<b>12. OTHER LIABILITIES</b>		
Deferred Income	<u>76,629</u>	<u>135,588</u>

**13. LEASE LIABILITIES**

The Group have 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.

The office lease period has been extended to 30 June 2025, and is provided to the Group rent-free. Accordingly, no lease liability is recognised as at 30 June 2023.

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

	<b>2023</b>	<b>2022</b>
	\$	\$
Current	-	27,620
Non-Current	-	1,890

At 30 June 2023, the Group was committed to short-term leases and low value asset leases totaling \$370 (2022: \$4,814).

**14. CASH FLOW INFORMATION****Reconciliation of operating surplus for the year to net cash flow from operating activities**

Operating Result	395,736	77,535
Non-cash Flows in Operating Result:		
Interest on Lease Liability	-	1,144
Depreciation	4,412	11,168
Loss/(Gain) on Revaluation of Investment	(57,400)	109,419
Investment Distribution Receivable	-	(62,075)
Lease Liability Cleared	(20,277)	-
Changes in Assets & Liabilities:		
(Increase)/Decrease in Trade & Other Receivables	(5,219)	6,211
(Increase)/Decrease in Other Assets	261	(198)
Increase/(Decrease) in Trade & Other Payables	(16,701)	(97,576)
Increase/(Decrease) in Other Liabilities	(58,958)	(22,152)
Increase/(Decrease) in Provisions	70	10,046
Cash flows from operating activities	<u>241,924</u>	<u>33,523</u>



**MERCY WORKS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

**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 2023, the Company had 8 (2022: 8) members. The combined total amount that members of the Company would be liable to contribute if the Company wound up is \$40 (2022: \$40).

**16. RELATED PARTY TRANSACTIONS**

The Company's related parties is its key management personnel.

The key management of the Company consists of the Executive Director, Finance Manager and the Directors.

The Directors act in an honorary capacity and receive no compensation for their services other than reimbursement of expenses incurred in relation to their capacity as Directors.

**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 2023 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*

\_\_\_\_\_  
Joseph Zabar

02 November 2023

\_\_\_\_\_  
Date:



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## 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 2023, 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 2023 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 2023, 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

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## 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: 7 November 2023