

MERCY WORKS LIMITED
ABN 37 147 042 466

FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2024

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 2024**

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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 2024.

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. Joseph Zabar	
Sr. Catherine Ryan RSM	
Mr. Francis Elvey	
Mr. Steven Collins	
Ms. Catherine Glenister	
Ms. Kerrie Walshaw	
Mr. Michael Cuzic	Appointed on 7 March 2024
Mr. Andrew Burke	Appointed on 7 March 2024
Sr. Berneice Loch RSM	Appointed on 29 November 2023
Sr. Margaret Scroope RSM	Appointed on 29 November 2023
Mr. Travis Bowman	Resigned on 29 November 2023
Mr. Mark Sleight	Resigned on 17 October 2023

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, Papua New Guinea Philippines and Timor Leste.

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 Experience	Board Chair and Nomination Committee Member 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.
Sr. Catherine Ryan RSM Experience	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. Francis Elvey Experience	Board Member, Program Committee Chair, Nominations Committee Member 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 Experience	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, the Mercy Hub, Young Mercy Links, 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 Experience	Board Member, Program Committee 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.
Ms. Kerrie Walshaw Experience	Board Member, Program Committee 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 and also served for 12 years (2009-21) on the Board of Association of Independent Schools (AIS).

MERCY WORKS LIMITED DIRECTORS' REPORT (cont.)

INFORMATION ON DIRECTORS (cont.)

Sr. Margaret Scroope RSM Board Member (appointed on 29 November 2023)

Experience Margaret has spent many years in Catholic education as a teacher, principal, consultant and teacher educator. Many of those years were spent in low socio-economic towns and suburbs including The Kimberly and PNG. Margaret spent some years in Administration at Mercy International, Dublin where she had to opportunity to experience the richness of Mercy based ministries across the world. A passion for justice and for a rich education for all children motivates her involvement in Mercy Works.

Sr. Berneice Loch RSM Board Member (appointed on 29 November 2023)

Experience Berneice was a secondary teacher of Science, Maths and Religion. She has many years of involvement in Governance including 16 years as Congregation/institute leader which gave her the role of Chair of the Members in as many as 24 Companies Limited by Guarantee. She has been a Director, a CEO and a Company Secretary. Berneice was one of the persons responsible for setting up Mercy Partners and gaining Papal approval for it as a Public Juridical Person. She continues to take a strong interest in Governance of faith based organisations.

Mr. Michael Cuzic Board Member, Finance, Risk & Audit Committee Chair and Nominations Committee Member (appointed on 7 March 2024)

Experience Michael is a Fellow of the Institute of Chartered Accountants in ANZ and initially started his career as an Auditor at Deloitte. He has spent over 30 years in Senior financial positions including CFO and Finance Director positions. His specialist experiences are in Education, NFP, Recruitment and Healthcare.

Mr. Andrew Burke Board Member, Finance, Risk & Audit Committee Member (appointed on 7 March 2024)

Experience Andrew is a senior executive public servant with extensive experience within local, state and federal governments. Across his career, Andrew has worked across a range of policy areas from the delivery of critical health and education services on Norfolk Island to overseeing the implementation of the Queensland Government's Memorandum of Understanding with the Government of Papua New Guinea. Andrew holds a Bachelor of Commerce, Masters of Politics and Policy and is a Graduate of Australian Institute of Company Directors.

Mr. Travis Bowman Board Member, Chair of Finance, Risk and Audit Committee (resigned on 29 November 2023)

Experience Travis is a Chartered Accountant and Registered Company Auditor. He has worked with professional services firm KPMG for over 18 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.

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

INFORMATION ON DIRECTORS (cont.)

Mr. Mark Sleight Board Member, Finance, Risk and Audit Committee Member and Program Committee Member (resigned on 17 October 2023).

Experience 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.

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	3	2
Ms. Kerrie Walshaw	5	4
Ms. Catherine Glenister	5	4
Sr. Catherine Ryan RSM	5	5
Mr. Mark Sleight	1	1
Mr. Francis Elvey	5	4
Mr. Michael Cuzic	2	2
Mr. Steven Collins	5	1
Mr. Andrew Burke	2	1
Sr. Berneice Loch RSM	2	2
Sr. Margaret Scroope RSM	2	2

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

07 November 2024

 Date:

**MERCY WORKS LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

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 2024 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: 8 November 2024

MERCY WORKS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
REVENUE			
Monetary Donations and Gifts			
From Members		469,602	445,422
From Other Parties		1,115,371	706,430
Total Monetary Donations and Gifts		1,584,973	1,151,852
Bequests and Legacies		-	49,706
Non-Government Grant Income			
Australian		105,863	118,308
International		27,987	26,687
Total Non-Government Grant Income		133,850	144,995
TOTAL REVENUE		1,718,823	1,346,553
OTHER INCOME			
Interest Received		114,713	103,744
Distributions Received from Investments		126,218	108,782
Gain on Revaluation of Investments		36,848	57,400
TOTAL REVENUE & OTHER INCOME		1,996,602	1,616,479
EXPENDITURE			
International Aid and Development Programs Expenditure			
International Programs			
Funds to International Programs		360,758	322,263
Program Support Costs		111,163	109,180
Community Education		42,996	33,828
Public Fundraising Costs		92,136	66,552
Accountability and Administration		192,122	164,700
Total International Aid and Development Programs Expenditure		799,175	696,523
Domestic Programs Expenditure		610,534	524,219
TOTAL EXPENDITURE	3	1,409,709	1,220,743
SURPLUS FOR THE YEAR		586,893	395,736
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		586,893	395,736

The accompanying notes form part of these financial statements

MERCY WORKS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash & Cash Equivalents	4	703,077	288,386
Trade & Other Receivables	5	3,855	15,031
Financial Assets	6	2,704,515	2,598,642
Other Assets	7	<u>20,391</u>	<u>15,955</u>
TOTAL CURRENT ASSETS		<u>3,431,838</u>	<u>2,918,014</u>
NON-CURRENT ASSETS			
Financial Assets	6	1,559,795	1,396,729
Property, Plant & Equipment	8	<u>9,218</u>	<u>11,817</u>
TOTAL NON-CURRENT ASSETS		<u>1,569,013</u>	<u>1,408,546</u>
TOTAL ASSETS		<u>5,000,851</u>	<u>4,326,560</u>
CURRENT LIABILITIES			
Trade & Other Payables	9	35,568	26,652
Provisions	10	48,094	39,813
Other Liabilities	11	<u>135,532</u>	<u>76,629</u>
TOTAL CURRENT LIABILITIES		<u>219,194</u>	<u>143,094</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>20,816</u>	<u>9,518</u>
TOTAL NON-CURRENT LIABILITIES		<u>20,816</u>	<u>9,518</u>
TOTAL LIABILITIES		<u>240,010</u>	<u>152,612</u>
NET ASSETS		<u><u>4,760,841</u></u>	<u><u>4,173,948</u></u>
EQUITY		<u><u>4,760,841</u></u>	<u><u>4,173,948</u></u>

The accompanying notes form part of these financial statements

**MERCY WORKS LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2024**

	Retained Earnings \$
BALANCE AS AT 1 JULY 2022	3,778,212
Surplus for the Year	395,736
BALANCE AT 30 JUNE 2023	<u>4,173,948</u>
BALANCE AS AT 1 JULY 2023	4,173,948
Surplus for the Year	586,893
BALANCE AT 30 JUNE 2024	<u><u>4,760,841</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 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from Donations, Grants & Bequests		1,788,902	1,282,375
Interest Received		114,713	103,744
Investment Distribution Received		126,218	108,782
Payments for Programs to Suppliers & Employees		(1,380,551)	(1,252,978)
NET CASH FLOWS FROM OPERATING ACTIVITIES	12	649,282	241,924
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Financial Assets		(232,091)	(210,510)
Acquisition of Property, Plant & Equipment		(2,500)	(5,748)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(234,591)	(216,258)
NET INCREASE/(DECREASE) IN CASH HELD		414,691	25,665
CASH AT BEGINNING OF THE FINANCIAL YEAR		288,386	262,721
CASH AT END OF THE FINANCIAL YEAR	4	703,077	288,386

The accompanying notes form part of these financial statements

MERCY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. CORPORATE INFORMATION

The financial statements of Mercy Works Limited (Company), for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 6 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 MATERIAL 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 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 material 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 2024

2. STATEMENT OF MATERIAL 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 2024

2. STATEMENT OF MATERIAL 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) 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.

	2024	2023
	\$	\$
3. EXPENDITURE		
Included in total expenditure are the following:		
Employee Benefits, including Ministerial Stipends	722,079	637,788
Depreciation	5,099	4,412
Auditor Remuneration Paid & Payable		
Audit Fees	11,800	11,235
Preparation of Financial Statements	2,500	2,375
Total Auditor Remuneration	<u>14,300</u>	<u>13,610</u>

MERCY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
4. CASH & CASH EQUIVALENTS		
Cash on Hand	138	138
Cash at Bank	702,940	288,248
	<u>703,077</u>	<u>288,386</u>
5. TRADE & OTHER RECEIVABLES		
Other Receivables	51	7,265
GST Receivables	3,066	7,266
Debtors	739	500
	<u>3,855</u>	<u>15,031</u>
6. FINANCIAL ASSETS		
Current		
Fixed Interest Deposit	<u>2,704,515</u>	<u>2,598,642</u>
The fixed interest deposit is held with the Institute Property Association Limited, maturing annually.		
Non-Current		
Catholic Values Trust	<u>1,559,795</u>	<u>1,396,729</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 2024. During the financial year, SG Hiscock & Company Limited purchased 100% of the issued capital of CCI Asset Management Limited from CCI Insurance Limited.		
7. OTHER ASSETS		
Prepayments	<u>20,391</u>	<u>15,955</u>
8. PROPERTY, PLANT & EQUIPMENT		
Computer Equipment		
At Cost	34,575	32,075
Accumulated Depreciation	(25,357)	(20,258)
	<u>9,218</u>	<u>11,817</u>
9. TRADE & OTHER PAYABLES		
Trade Creditors	1,072	1,956
Other Payables	15,830	11,981
Accrued Expenses	18,666	12,715
	<u>35,568</u>	<u>26,652</u>
10. PROVISIONS		
Current		
Provision for Annual Leave	<u>48,094</u>	<u>39,813</u>
Non-Current		
Provision for Long Service Leave	<u>20,816</u>	<u>9,518</u>

MERCY WORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
11. OTHER LIABILITIES		
Deferred Income	<u>135,532</u>	<u>76,629</u>
12. CASH FLOW INFORMATION		
Reconciliation of operating surplus for the year to net cash flow from operating activities		
Operating Result	586,893	395,736
Non-cash Flows in Operating Result:		
Depreciation	5,099	4,412
Loss/(Gain) on Revaluation of Investment	(36,848)	(57,400)
Lease Liability Cleared	-	(20,277)
Changes in Assets & Liabilities:		
(Increase)/Decrease in Trade & Other Receivables	11,176	(5,219)
(Increase)/Decrease in Other Assets	(4,436)	261
Increase/(Decrease) in Trade & Other Payables	8,916	(16,701)
Increase/(Decrease) in Other Liabilities	58,903	(58,958)
Increase/(Decrease) in Provisions	19,579	70
Cash flows from operating activities	<u>649,282</u>	<u>241,924</u>

13. 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 2024, the Company had 8 (2023: 8) members. The combined total amount that members of the Company would be liable to contribute if the Company wound up is \$40 (2023: \$40).

14. 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.

15. LEASES

The Group's office lease is set to expire on 30 June 2025. The remaining lease period is rent-free.

**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 2024 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 Regulations 2022 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 Regulations 2022* .

On behalf of the Directors:

Joseph Zabar

Joseph Zabar

07 November 2024

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 2024, 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 material 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 2024 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 Regulations 2022*.

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 2024, 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.



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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



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Ian Mostert CPA
Registered Company Auditor No 539768

Dated: 8 November 2024