

Melbourne City Mission

ABN 56 161 846 149

Annual Report - 30 June 2023

**Melbourne City Mission
Directors' report
30 June 2023**

Your Directors submit their report for the year ended 30 June 2023

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period, unless otherwise stated.

John Jeffreys – completed tenure November 2022

Jonathan Mortimer (Chair)

Marion Hemphill (Deputy Chair)

John Russell

Caroline Sheehan

David Rennick

Stacey Ong

Lavania Parker – appointed September 2022

Sandra Brogden – appointed January 2023

Information on directors

Name: John Jeffreys (completed tenure Nov 2022)
Title: A member of the Board since 2013.
Qualifications: FCPA, GAICD.
Experience and expertise: John is an experienced senior Finance Executive and Company Director having worked in the mining, service and manufacturing industries. John is a graduate of the Institute of Company Directors. He is married with two children and enjoys spending time with his four grandchildren and sport – in particular, cricket and football – supporting Richmond in the AFL. John has been actively involved in community activities including the National Chairman of Taverners Australia, Candlelight Productions, Keys of Life and formerly The Jean Hailes Foundation and is looking to continue making a positive contribution to Melbourne City Mission.

Special responsibilities: Chair of the Board Finance Investment & Audit Committee.

Name: Jonathan Mortimer (Chair)
Title: A member of the Board since June 2018
Qualifications: BA Hons, LLM, MPubPol
Experience and expertise: Jonathan is a Director at a professional services firm in Melbourne, specialising in taxation. He has previously been the Head of Risk for a large Australian superannuation fund. Jonathan is a former member of the Board Quality Committee and Clinical Quality Committee at the Royal Victorian Eye and Ear Hospital. Jonathan is admitted to legal practice in Australia, and called to the bar of England and Wales. Jonathan holds a Master of Public Policy from the Australian National University and a Master of Law from the University of Cambridge.

Special responsibilities: Chairperson

Name: Marion Hemphill (Deputy Chair)
Title: A member of the Board since August 2018
Qualifications: LLB (Hons)
Experience and expertise: Marion has more than 25 years' experience as a corporate lawyer. Marion is currently General Counsel and Chief Privacy Officer at Australian Red Cross Lifeblood. Marion is a Fellow of the Vincent Fairfax Fellowship, Cranlana Centre for Ethical Leadership. Marion previously held senior roles in large law firms in Australia, London and New Zealand and was Counsel to the New Zealand Takeover Panel. Her professional experience has included commercial negotiations, governance, compliance and government relations. Marion is a proponent of focusing on ethics, risk and compliance as a fundamental step to achieving strategic goals. Marion has an LLB (Hons) from Victoria University of Wellington

Special responsibilities: Member of the Quality, Safety & Risk Committee, Chair of the Nominations & Remunerations Committee.

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Name: John Russell
Title: A member of the Board since November 2019
Experience and expertise: John has over 20 years of executive experience across consulting, investment management and operating roles. John has held leadership positions in both public and private companies and is currently Chief Executive Officer of a private investment company.

Special responsibilities: Chair Board Finance Investment & Audit Committee (from Nov 2022)

Name: David Rennick
Title: A member of the Board since March 2021
Qualifications: BEc, LLb.

Experience and expertise: David brings over 30 years' experience in the professional services and property industries to his role as a Director and member of the Board's Quality Safety & Risk Committee. David is also Chair of The Hester Hornbrook Academy Board. He sits on the advisory boards of Proximity Consulting and Carr Design and is also a Director of the Melbourne Football Club. Previously David was a Board Member of international law firm Pinsent Masons and CEO of Maddocks. His legal expertise includes property development, corporate real estate, governance and compliance.

Special responsibilities: Chair of the Board Quality Safety & Risk committee

Name: Caroline Sheehan
Title: A member of the Board since June 2021
Experience and expertise: Caroline has held senior management roles across the health and humanitarian sectors where she has led numerous strategy, innovation, organisational change and transformation processes. Caroline has qualifications in disability, business administration and is a graduate of the AICD Company Directors course. Caroline is currently Director of Strategy, Planning and Performance at the Royal Women's Hospital. Prior to this role, Caroline was Director of Transformation at Australian Red Cross. Caroline is also the Chair of VINC, a nursery that propagates and supplies local indigenous plants for bushland revegetation.

Special responsibilities: Member of the Nomination & Remuneration committee

Name: Stacey Ong
Title: A member of the Board since April 2021
Experience and expertise: Stacey is the founder and Director of One Red Step, a consulting practice focused on social justice and social inclusion. She is an experienced management consultant with over 17 years' experience in both private, public and community sectors. Stacey is a former Director with a Big 4 consulting firm leading its social policy practice focusing on education and family violence. Stacey is on the Board of Safe and Equal, a member of the Finance and Risk Subcommittee of Our Watch, and a member of the Community Advisory Group for the Melbourne Social Equity Institute.

Special responsibilities: Member of the Board Quality Safety & Risk committee

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Name:	Lavania Parker
Title:	a member of the board since September 2022
Qualifications:	CA
Experience and expertise	Lavania is an accomplished business leader with multifaceted experience in finance, mergers and acquisitions, start-ups, innovation, projects, and investments. She's had a global career garnered across Malaysia, London and Australia, across for-purpose organisations, professional services, transport and logistics, and postal services. Lavania is passionate about diversity and inclusion and currently works as the Chief Financial Officer in First Peoples' Assembly of Victoria and the Head of Corporate Services in Inclusive Australia and is an Advisory Board Member of Culturally Diverse Workforces. She's a mum of two young active children and looks forward to making a positive impact to MCM
Special responsibilities	Member Board Finance Investment & Audit committee

Name	Sandra Brogden
Title	a member of the board since January 2023
Qualifications	Dip Ed, BEd, MEd
Experience and expertise	Sandra is a Noongar, Karajarri, Bard woman from Western Australia. She lives and works on Wadawurrung country in Geelong and has been actively involved with the Wathaurong community for the past 15 years. Sandra's life work has been in education; she is committed to improving educational outcomes for First Nations people. Sandra currently works as the First Nations Student Coordinator at the Geelong Grammar school and previously, Koorie Education Coordinator at the Department of Education, Victoria. Prior to this, Sandra held the position of Director of Projects/What Works National Coordinator with National Curriculum Services. Sandra has worked extensively with Catholic schools in Western Australia, firstly as the Coordinator for Aboriginal Education, based in the Perth office and then as the Regional Officer, responsible for managing 13 schools and the Catholic Education Office in the Kimberley. Through this work and her own family connections, Sandra has developed good working relationships with Aboriginal people and community organisations. Sandra has experience working in regional and urban settings, both as a teacher and as a consultant, and is very experienced in working with Aboriginal people.

Company secretary

Jacque Scales
Affiliated GIA
Company Secretary appointed 30 August 2017

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set of Key Performance Indicators to work towards that are regularly reported against and assessed.

Principal activities

The principal activities of Melbourne City Mission during the course of the financial year were:

- Disability Services;
- Education and Early Years;
- Homelessness and Family Services;
- Home and Residential Care based Palliative Care; and
- Community Housing

Dividends

Melbourne City Mission is a company limited by guarantee. As such, it has no issued capital and does not pay a dividend.

Review of Operations

During the year, MCM Services successfully transitioned the clients and staff supporting 12 Disability Supported Independent Living homes to ABLE Australia.

Hester Hornbrook Academy opened a new campus in South Melbourne which enabled the achievement of another record year increasing student numbers to 421. The school has further plans for expansion with the execution of lending and building contracts for a new campus in Werribee, the building of the campus is expected to be completed in time for the 2025 school year.

MCM Housing was awarded funding from Homes Victoria and has started the construction of the Congregate and Core and Cluster accommodation to support the Youth Housing Initiative.

Events Subsequent to Balance Date

No other matter or circumstances has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

State of Affairs

No significant changes in the company's underlying activities have occurred during the financial year.

Future Developments

Melbourne City Mission will embark on a growth strategy across Victoria, focused on supporting those experiencing, or at imminent risk of, the most severe disadvantage.

Environmental Issues

Melbourne City Mission has determined that there are no significant environmental regulations that apply to its operations.

Directors' Benefits

No Director of Melbourne City Mission has received any remuneration or other benefit by way of contract with Melbourne City Mission either directly or via related corporations in which they have a substantial financial interest.

Indemnity and Insurance Of Directors and Auditors

During the financial year, the Department of Human Services met all the costs of insuring all Directors, past and present, against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of Director of Melbourne City Mission.

Risk Management

The Board takes a proactive approach to risk management. The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that the company's objectives and activities are aligned with the risks and opportunities identified by the Board.

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Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under the Australian Charities and Not-for-Profits Commission Act 2012 is set out in this report

This report is made in accordance with a resolution of the board;

Jonathan Mortimer
Chairperson

John Russell
Director

25 October 2023

Melbourne City Mission
Auditor's independence declaration

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Melbourne City Mission

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General information

The financial statements cover Melbourne City Mission as a consolidated entity consisting of Melbourne City Mission and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Melbourne City Mission's functional and presentation currency.

Melbourne City Mission is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

164-180 Kings Way
South Melbourne VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 October 2023. The directors have the power to amend and reissue the financial statements.

Melbourne City Mission
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated	
		2023	2022
		\$	\$
Revenue	3	93,346,957	93,699,283
Total revenue		<u>93,346,957</u>	<u>93,699,283</u>
Expenses			
Disability Services		(18,499,482)	(27,833,354)
Homelessness & Family Services		(28,024,127)	(29,451,721)
Education		(13,868,475)	(10,345,455)
Palliative Care Services		(5,954,805)	(5,675,173)
Shared Services		(15,906,416)	(16,149,843)
Fundraising and Public Information		(1,436,669)	(1,303,063)
Living Learning		(2,893,042)	(1,623,570)
MCM Housing		(382,981)	(350,959)
Total expenses		<u>(86,965,997)</u>	<u>(92,733,138)</u>
Operating surplus		6,380,960	966,145
Capital Grants	3	270,917	1,251,333
Capital Appeal		520,000	-
Investment Revenue	3	1,203,474	1,402,180
Bequests	3	360,956	361,109
Net Profit on Sale of Non Current Assets	3	-	1,325,767
Insurance Claim	3	4,495	26,992
Net Income(Loss) for the year		8,740,802	5,333,526
Other comprehensive income			
<i>Items that may not be reclassified subsequently to profit or loss</i>			
Gain/(Loss) on the revaluation of financial assets		<u>826,525</u>	<u>(2,670,674)</u>
Other comprehensive income for the year		<u>826,525</u>	<u>(2,670,674)</u>
Total comprehensive income for the year		<u><u>9,567,327</u></u>	<u><u>2,662,852</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Melbourne City Mission
Statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	20,395,829	15,461,176
Trade and other receivables	6	3,525,429	4,292,461
Contract assets	7	3,079,253	1,598,449
Financial assets at fair value through other comprehensive income	8	26,590,864	22,383,493
Other assets	9	210,723	163,688
Total current assets		<u>53,802,098</u>	<u>43,899,267</u>
Non-current assets			
Property, Plant and Equipment	10	25,763,477	25,880,101
Right-of-use assets	12	8,821,072	11,121,009
Intangibles	13	5,942,235	6,348,481
Externally Funded Property, Plant and Equipment	11	221,411	233,549
Other assets	9	308,751	308,751
Total non-current assets		<u>41,056,946</u>	<u>43,891,891</u>
Total assets		<u>94,859,044</u>	<u>87,791,158</u>
Liabilities			
Current liabilities			
Trade and Other payables	14	8,167,575	6,643,342
Contract liabilities	15	3,943,729	4,935,150
Lease liabilities	18	2,094,601	2,126,779
Employee Benefits	17	4,937,282	5,389,929
Other Current Liabilities	19	1,343,509	1,085,922
Total current liabilities		<u>20,486,696</u>	<u>20,181,122</u>
Non-current liabilities			
Borrowings	16	2,931,344	3,500,000
Lease liabilities	18	8,397,950	10,639,065
Employee Benefits	17	796,667	779,773
Other Current Liabilities	19	221,411	233,549
Total non-current liabilities		<u>12,347,372</u>	<u>15,152,387</u>
Total liabilities		<u>32,834,068</u>	<u>35,333,509</u>
Net assets		<u>62,024,976</u>	<u>52,457,649</u>
Equity			
Reserves	20	1,542,679	1,242,969
Retained surpluses		<u>60,482,297</u>	<u>51,214,680</u>
Total equity		<u>62,024,976</u>	<u>52,457,649</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Melbourne City Mission
Statement of changes in equity
For the year ended 30 June 2023

Consolidated	Financial Asset Reserve \$	Property Maintenance Reserve \$	Retained Surplus \$	Total equity \$
Balance at 1 July 2021	3,386,830	610,262	45,797,705	49,794,797
Net Income(Loss) for the year	-	-	5,333,526	5,333,526
Other comprehensive income for the year	(2,670,674)	-	-	(2,670,674)
Total comprehensive income for the year	(2,670,674)	-	5,333,526	2,662,852
	-	(83,449)	83,449	-
Balance at 30 June 2022	<u>716,156</u>	<u>526,813</u>	<u>51,214,680</u>	<u>52,457,649</u>

Consolidated	Financial Asset Reserve \$	Property Maintenance Reserve \$	Retained Surplus \$	Total equity \$
Balance at 1 July 2022	716,156	526,813	51,214,680	52,457,649
Net Income(Loss) for the year	-	-	8,740,802	8,740,802
Other comprehensive income for the year	826,525	-	-	826,525
Total comprehensive income for the year	826,525	-	8,740,802	9,567,327
Transfer (to)/from reserve	-	(526,813)	526,813	-
Balance at 30 June 2023	<u>1,542,681</u>	<u>-</u>	<u>60,482,295</u>	<u>62,024,976</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Melbourne City Mission
Statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated	
		2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from government subsidies, grants and customers		95,064,770	97,615,946
Payments to suppliers and employees (inclusive of GST)		(88,129,588)	(96,558,059)
Fees from residents and clients		2,178,781	2,355,871
Capital grants and donations		4,885,269	4,008,967
		<u>13,999,232</u>	<u>7,422,725</u>
Dividends received		566,837	681,507
Interest received		636,637	733,012
Finance costs		(867,728)	(1,009,698)
		<u>14,334,978</u>	<u>7,827,546</u>
Cash flows from investing activities			
Payments for investments		(5,800,394)	(11,601,638)
Payments for property, plant and equipment	10	(2,940,403)	(2,267,111)
Payments for intangibles	13	(841,240)	(2,138,744)
Proceeds from disposal of investments		2,419,548	12,472,708
		<u>(7,162,489)</u>	<u>(3,534,785)</u>
Cash flows from financing activities			
Repayment of borrowings		-	(3,250,000)
Repayment of lease liabilities		(2,237,836)	(2,103,447)
		<u>(2,237,836)</u>	<u>(5,353,447)</u>
Net cash used in financing activities		<u>(2,237,836)</u>	<u>(5,353,447)</u>
Net increase/(decrease) in cash and cash equivalents		4,934,653	(1,060,686)
Cash and cash equivalents at the beginning of the financial year		15,461,176	16,521,862
		<u>20,395,829</u>	<u>15,461,176</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>20,395,829</u></u>	<u><u>15,461,176</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Summary of Significant Accounting Policies

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Melbourne City Mission ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Melbourne City Mission and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue is recognised either under AASB15 or AASB1058.

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Grant Income

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met. Where there is a difference between the timing of the receipt of the grant and the satisfaction of the performance obligations, it will result in the recognition of a receivable, contract asset or contract liability.

AASB1058 requires that where there are no contracted performance obligations, revenue is recognised when received.

Capital grants

Capital grants received under an enforceable agreement to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the company (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the company.

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

Dividends and Imputation Credit

Dividends and Imputation Credit is taken into the Statement of Profit or Loss when declared.

Interest

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

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Donation

Donations are recognised as income when the donations are received unless Melbourne City Mission has not met its specific obligations.

Income tax

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

Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 1. Summary of Significant Accounting Policies (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank, excluding resident and client cash, at-call deposits, term deposits with a maturity of 90 days or less, and which are subject to an insignificant risk of changes.

Trade Receivables

Trade receivables were recognised and carried at original value less an allowance for uncollectible amounts. Receivables from residents and clients are on 30-day terms. Collectability of trade receivables is reviewed on an ongoing basis.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

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

Other Financial Assets

Financial assets at fair value through other comprehensive income

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

Held to Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when Melbourne City Mission has the positive intention and ability to hold the financial asset to maturity. Investments intended to be held for an undefined period are not included in this classification. Held to maturity investments such as Bank Bills are valued at face value on acquisition date. Term Deposits are valued at cost. At maturity date, interest forms part of the principal amount and is reinvested for a determined term.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Externally Funded Assets

Non-current assets which have been funded by specific purpose grants from Government Departments, and which may be required to be returned to the funding body in the event of the closure of that program, for which the funding was given, are accounted for separately from assets which are the property of Melbourne City Mission. These assets are disclosed as externally funded assets in the Statement of Financial Position. A Capital Grants Liability at an amount equal to the written down value of these assets, is classified as a liability owing to the funding provider.

Note 1. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment

Classes of Property, Plant and Equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line basis over the estimated useful life on all tangible assets including externally funded assets as follows:

Buildings	50 years
Building Development	20 years
Improvements & Renovations	10 years
Furniture & Fittings	10 years
Plant & Machinery, Computer Equipment	5 years
Motor Vehicles	3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Impairment

The carrying values of Plant and Equipment are reviewed for impairment at each reporting date, with recoverable amounts being estimated when events or changes in circumstances indicate that the carrying value may be impaired. An impairment may exist when the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of plant and equipment is the higher of fair value less costs to sell, and 'value in use'. When an impairment in value exists, the asset is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the Statement of Profit or Loss.

Right-of-use assets

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

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

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

Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost less any accumulated amortisation and any accumulated impaired losses. The useful life is assessed to be either finite or indefinite.

Computer Software

Expenditure on software, being software that is not an integral part of the related hardware, is capitalised. Capitalised expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which is between 3 and 7 years.

Trade payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. These amounts, which are non-interest bearing, unsecured, and are generally settled in 30-day terms, are valued at cost.

Note 1. Summary of Significant Accounting Policies (continued)

Contract liabilities

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

Refund liabilities

Refund liabilities are recognised where the consolidated entity receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the consolidated entity does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

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

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

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 1. Summary of Significant Accounting Policies (continued)

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at the amounts expected to be paid when the liability is settled.

Provisions made in respect of long service leave, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience on employee departures and periods of service. Expected future payments are discounted using market yield at the reporting date based on government guaranteed securities, which have terms to maturity approximating to the terms of the related liability.

Employee benefit expenses and revenues arising in respect of the wages and salaries, annual leave, long service leave and the related on-costs (superannuation and workcover premium) are charged against profits on a net basis in their respective categories.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax. Revenues, expenses and assets are recognised net of the amount of GST except receivables and payables, which are stated with the amount of GST included.

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

Cash flows are included in the Cash Flow Statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the Australian Taxation Office.

Expense Classification and Treatment

Expenses are classified in the Statement of Profit or Loss based on the programs provided by Melbourne City Mission and include details of specific support functions, which underpin the delivery of quality services. Expenses are accounted for on an accrual basis.

Note 2. Critical accounting judgements, estimates and assumptions

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

Classification and valuation of investments

The company has decided to classify investments in listed securities as Fair Value Through Other Comprehensive Income (FVTOCI) financial assets and movements in fair value are recognised directly in equity through other comprehensive income. The fair value of listed shares has been determined by reference to published price quotations in an active market.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Grant income

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the entity, review of the proposal documents prepared during the application phase and consideration of the terms and conditions.

Grants received have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

If this determination was changed, then the revenue recognition pattern could be different from that recognised in these financial statements.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	Consolidated	
	2023	2022
	\$	\$
Local Government	480,000	480,000
State and Federal Government	65,950,954	58,934,208
Fees from Residents and Clients	2,178,781	1,873,975
Donations	3,733,396	2,408,663
Sundry Revenue	7,997,968	8,191,172
National Disability Insurance Scheme	13,005,858	21,811,265
	<u>93,346,957</u>	<u>93,699,283</u>
Revenue	<u>93,346,957</u>	<u>93,699,283</u>

Melbourne City Mission
Notes to the financial statements
30 June 2023

Note 3. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2023	2022
	\$	\$
<i>Geographical regions</i>		
Australia	<u>93,346,957</u>	<u>93,699,283</u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	61,127,466	63,013,460
Services transferred over time	<u>32,219,491</u>	<u>30,685,823</u>
	<u>93,346,957</u>	<u>93,699,283</u>
	Consolidated	
	2023	2022
Other Revenue		
Insurance Claim Income	4,495	26,992
Net Profit on Sale of Non-current Assets	-	1,325,767
Capital Grants	270,917	1,251,333
Interest Revenue	636,637	734,295
Dividend Revenue	566,837	667,885
Bequests	360,956	361,109
Capital Appeal	<u>520,000</u>	<u>-</u>
Total	<u>2,359,842</u>	<u>4,367,381</u>

Note 4. Expenses

Operating (Deficit)/Surplus is arrived at after charging the following:

	Consolidated	
	2023	2022
	\$	\$
a) Depreciation and Amortisation		
Depreciation - Freehold Buildings	137,555	118,795
Depreciation - Improvements	1,756,798	1,718,660
Depreciation - Motor Vehicles	4,469	4,468
Depreciation - Fixtures, Plant and Equipment	600,596	620,491
Amortisation - Computer Software	1,247,486	869,400
Right of Use Depreciation - Premises	1,666,829	1,911,358
Right of Use Depreciation - Motor Vehicles	597,651	642,509
Right of Use Depreciation - Office Equipment	<u>-</u>	<u>38,131</u>
Total Depreciation and Amortisation	<u>6,011,384</u>	<u>5,923,812</u>

Melbourne City Mission
Notes to the financial statements
30 June 2023

Note 4. Expenses (continued)

	Consolidated	
	2023	2022
b) Employee Benefits Expense		
Wages and Salaries	49,850,397	55,578,217
Workers' Compensation Costs	1,308,254	985,247
Superannuation Costs	5,105,473	5,358,708
Annual Leave Movement	(52,002)	(204,482)
Long Service Leave Movement	765,129	317,664
	<u>56,977,251</u>	<u>62,035,354</u>
Total Employee Benefits Expense		

Note 5. Cash and cash equivalents

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Cash	6,148,870	1,289,900
Deposits at Call	14,246,959	14,171,276
	<u>20,395,829</u>	<u>15,461,176</u>

Note 6. Trade and other receivables

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	421,606	656,876
Less: Allowance for expected credit losses	(64,623)	(88,185)
	<u>356,983</u>	<u>568,691</u>
Sundry Debtors	2,805,919	3,457,254
Dividend Imputation Credit	362,527	266,516
	<u>3,168,446</u>	<u>3,723,770</u>
	<u>3,525,429</u>	<u>4,292,461</u>

(i) Dividend Imputation Credit is non-interest bearing and is claimed annually from the Australian Taxation Office.

(ii) Trade Receivables are non-interest bearing and are generally settled on 30-day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired.

Note 7. Contract assets

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Contract assets	<u>3,079,253</u>	<u>1,598,449</u>

Melbourne City Mission
Notes to the financial statements
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Note 8. Financial assets at fair value through other comprehensive income

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Investment Portfolio - Listed Securities	26,590,864	22,383,493

Note 9. Other assets

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Prepayments	185,419	141,968
Security deposits	25,304	21,720
	<u>210,723</u>	<u>163,688</u>
<i>Non-current assets</i>		
Security deposits	308,751	308,751
	<u>519,474</u>	<u>472,439</u>

Note 10. Property, Plant and Equipment

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Land and buildings - at cost	10,590,326	9,449,720
Less: Accumulated depreciation	(1,428,522)	(1,303,105)
	<u>9,161,804</u>	<u>8,146,615</u>
Freehold improvements - at cost	24,093,979	23,541,101
Less: Accumulated depreciation	(10,776,465)	(9,019,667)
	<u>13,317,514</u>	<u>14,521,434</u>
Fixtures, Plant and Equipment- at cost	3,050,145	2,734,780
Less: Accumulated depreciation	(2,130,004)	(1,529,408)
	<u>920,141</u>	<u>1,205,372</u>
Motor vehicles - at cost	32,923	32,923
Less: Accumulated depreciation	(17,621)	(13,152)
	<u>15,302</u>	<u>19,771</u>
Asset Work in Progress	2,348,716	1,986,909
	<u>25,763,477</u>	<u>25,880,101</u>

Melbourne City Mission
Notes to the financial statements
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Note 10. Property, Plant and Equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Land and Buildings \$	Improvements /Development s \$	Fixtures, Plant and Equipment \$	Motor Vehicles \$	Asset Work in Progress \$	Total \$
Balance at 1 July 2022	8,146,615	14,521,434	1,205,372	19,771	1,986,909	25,880,101
Additions	-	-	70,466	-	2,869,937	2,940,403
Write off of assets	(128,549)	-	-	-	(441,198)	(569,747)
Transfers in/(out)	1,269,155	552,878	244,899	-	(2,066,932)	-
Depreciation expense	(125,417)	(1,756,798)	(600,596)	(4,469)	-	(2,487,280)
Balance at 30 June 2023	<u>9,161,804</u>	<u>13,317,514</u>	<u>920,141</u>	<u>15,302</u>	<u>2,348,716</u>	<u>25,763,477</u>

Note 11. Externally Funded Property, Plant and Equipment

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Freehold Property - at cost	664,974	664,974
Less: Accumulated depreciation	(443,563)	(431,425)
	<u>221,411</u>	<u>233,549</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Land \$	Buildings \$	Total \$
Balance at 1 July 2022	58,071	175,478	233,549
Depreciation expense	-	(12,138)	(12,138)
Balance at 30 June 2023	<u>58,071</u>	<u>163,340</u>	<u>221,411</u>

Melbourne City Mission
Notes to the financial statements
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Note 12. Right-of-use assets

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	15,145,352	15,089,680
Less: Accumulated depreciation	<u>(6,661,528)</u>	<u>(4,994,699)</u>
	<u>8,483,824</u>	<u>10,094,981</u>
Motor vehicles - right-of-use	2,076,794	2,578,634
Less: Accumulated depreciation	<u>(1,739,546)</u>	<u>(1,552,606)</u>
	<u>337,248</u>	<u>1,026,028</u>
Office equipment - right-of-use	180,223	180,223
Less: Accumulated depreciation	<u>(180,223)</u>	<u>(180,223)</u>
	<u>-</u>	<u>-</u>
	<u><u>8,821,072</u></u>	<u><u>11,121,009</u></u>

The consolidated entity leases land and buildings for its offices under agreements of between 2 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases motor vehicles under agreements of between 2 to 5 years.

The consolidated entity leases premises under agreements of less than 1 year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Premises \$	Motor Vehicles \$	Total \$
Balance at 1 July 2022	10,094,981	1,026,028	11,121,009
Additions	55,672	173,397	229,069
Disposals	-	(264,526)	(264,526)
Depreciation expense	<u>(1,666,829)</u>	<u>(597,651)</u>	<u>(2,264,480)</u>
Balance at 30 June 2023	<u><u>8,483,824</u></u>	<u><u>337,248</u></u>	<u><u>8,821,072</u></u>

Note 13. Intangibles

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Computer Software - at cost	9,671,329	7,890,508
Less: Accumulated amortisation	<u>(4,399,940)</u>	<u>(3,152,454)</u>
	<u>5,271,389</u>	<u>4,738,054</u>
Intangibles - Work in Progress	<u>670,846</u>	<u>1,610,427</u>
	<u><u>5,942,235</u></u>	<u><u>6,348,481</u></u>

Melbourne City Mission
Notes to the financial statements
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Note 13. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Computer Software \$	Work in Progress \$	Total \$
Balance at 1 July 2022	4,738,054	1,610,427	6,348,481
Additions	171,423	669,817	841,240
Transfers in/(out)	1,609,398	(1,609,398)	-
Amortisation expense	(1,247,486)	-	(1,247,486)
Balance at 30 June 2023	<u>5,271,389</u>	<u>670,846</u>	<u>5,942,235</u>

Note 14. Trade and Other payables

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade Payables	1,144,056	1,332,713
Sundry Creditors	7,023,519	5,310,629
	<u>8,167,575</u>	<u>6,643,342</u>

Note 15. Contract liabilities

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	3,943,729	4,935,150

Note 16. Borrowings

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current liabilities</i>		
Investor loans - Tranche A	931,344	1,500,000
Investor loans - Tranche B	2,000,000	2,000,000
	<u>2,931,344</u>	<u>3,500,000</u>

Assets pledged as security

Tranche A is an unsecured loan.

Tranche B is an investor loan secured by MCM parent guarantee.

Bank loan is NAB debt facility secured against the MCM Property asset portfolio.

Melbourne City Mission
Notes to the financial statements
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Note 16. Borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2023	2022
	\$	\$
Total facilities		
Bank loans	7,000,000	7,000,000
Investor loans	2,931,344	3,500,000
	<u>9,931,344</u>	<u>10,500,000</u>
Used at the reporting date		
Bank loans	-	-
Investor loans	2,931,344	3,500,000
	<u>2,931,344</u>	<u>3,500,000</u>
Unused at the reporting date		
Bank loans	7,000,000	7,000,000
Investor loans	-	-
	<u>7,000,000</u>	<u>7,000,000</u>

Note 17. Employee Benefits

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Provisions for Annual Leave	3,385,463	3,770,979
Provisions for Long Service Leave	1,545,283	1,593,710
Provisions for R.D.O	6,536	6,008
Restructuring	-	19,232
	<u>4,937,282</u>	<u>5,389,929</u>
<i>Non-current liabilities</i>		
Provisions for Long Service Leave	796,667	779,773
	<u>5,733,949</u>	<u>6,169,702</u>

Melbourne City Mission
Notes to the financial statements
30 June 2023

Note 18. Lease liabilities

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Lease liability	2,094,601	2,126,779
<i>Non-current liabilities</i>		
Lease liability	8,397,950	10,639,065
	<u>10,492,551</u>	<u>12,765,844</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	2,631,969	2,797,082
One to five years	6,385,456	9,084,323
More than five years	3,534,597	3,534,597
Less future finance charges	(2,059,471)	(2,650,158)
	<u>10,492,551</u>	<u>12,765,844</u>

Note 19. Other Current Liabilities

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trust Fund Liability	387,128	246,352
Refund liability	956,381	839,570
	<u>1,343,509</u>	<u>1,085,922</u>
<i>Non-current liabilities</i>		
Capital Grants Liability	221,411	233,549
	<u>1,564,920</u>	<u>1,319,471</u>

Note 20. Reserves

	Consolidated	
	2023	2022
	\$	\$
Financial assets at fair value through other comprehensive income reserve	1,542,679	716,156
Property maintenance reserve	-	526,813
	<u>1,542,679</u>	<u>1,242,969</u>

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Property maintenance reserve

This reserve recognises funds allocated for maintenance on the properties.

Note 21. Key Management Personnel

	Consolidated	
	2023	2022
	\$	\$
Total Compensation	<u>2,313,112</u>	<u>1,845,537</u>

Note 22. Contingent asset and liabilities

The consolidated entity has given bank guarantees as at 30 June 2023 of \$799,003 (30 June 2022 \$799,003).

National Redress Scheme

The Company is a voluntary member of the National Redress Scheme. The Redress Scheme came into effect on 1 July 2018 and whilst it is possible future claims may be made against the Company, there is no way of determining whether claims will arise and therefore it is not possible to reliably estimate the quantum of any payments that may arise as a result of the Company's participation in the Redress Scheme.

In the event that material claims are lodged in the future and it is probable that a payment will be required, it is anticipated that a provision will be raised in the financial statements based on the average Scheme claim payment rate as advised under the Scheme.

The consolidated entity had no other contingent assets or liabilities as at 30 June 2023 and 30 June 2022.

Note 23. Commitments For Expenditure

The consolidated entity had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

Note 24. Related Party Disclosures

Parent entity

Melbourne City Mission is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Disclosures relating to key management personnel are set out in note 21.

Members of the Board receive no remuneration or other benefits from Melbourne City Mission (2022, Nil)

Note 25. Auditors Remuneration

	Consolidated	
	2023	2022
	\$	\$
Amounts received or due and receivable by external auditors for: Auditing Accounts	<u>85,000</u>	<u>79,500</u>

Melbourne City Mission
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Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$	\$
Surplus/(deficit)	1,246,814	2,000,460
Total comprehensive income	<u>1,246,814</u>	<u>2,000,460</u>

Statement of financial position

	Parent	
	2023	2022
	\$	\$
Total current assets	36,086,711	30,398,930
Total assets	<u>67,317,254</u>	<u>65,623,184</u>
Total current liabilities	15,887,237	14,354,220
Total liabilities	<u>23,187,251</u>	<u>23,515,442</u>
Equity		
Financial assets at fair value through other comprehensive income reserve	1,342,935	567,488
Property maintenance reserve	-	526,814
Retained surpluses	42,787,068	41,013,440
Total equity	<u><u>44,130,003</u></u>	<u><u>42,107,742</u></u>

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business	Ownership interest	
		2023	2022
		%	%
Hester Hornbrook Academy	Melbourne	100%	100%
Dr John Singleton Trust	Melbourne	100%	100%
Living Learning	Melbourne	100%	100%
MCM Housing	Melbourne	100%	100%

Note 28. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Melbourne City Mission
Notes to the financial statements
30 June 2023

Note 29. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into five operating segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

Assets held within each segment are restricted for specific use and not available for transfer/use by MCM as the parent entity.

Operating segment information

		Dr John Singleton Trust	Hester Hornbrook	Living Learning	MCM Housing Limited	Intersegment Eliminations	Total \$
Consolidated - 2023	MCM Entity						
Revenue	71,389,395	13,236	23,761,310	3,752,433	1,590,948	(7,760,679)	92,746,643
Other Revenue	2,959,009	-	-	-	-	-	2,959,009
Expenses	(73,101,587)	(801,700)	(17,349,706)	(3,056,221)	(474,061)	7818,425	(86,964,850)
Net Income(Loss)	<u>1,246,827</u>	<u>(788,464)</u>	<u>6,411,604</u>	<u>696,212</u>	<u>1,116,887</u>	<u>57,746</u>	<u>8,740,802</u>
Assets							
Cash and Cash Equivalents	6,737,461	88,548	8,311,777	4,386,626	871,417	-	20,395,829
Other current assets	29,349,250	457,819	1,887,019	3,079,253	2,686	(1,369,758)	33,406,269
Total current assets	<u>36,086,711</u>	<u>546,367</u>	<u>10,198,796</u>	<u>7,465,879</u>	<u>874,103</u>	<u>(1,369,758)</u>	<u>53,802,098</u>
Total assets	<u>67,317,254</u>	<u>546,367</u>	<u>19,967,169</u>	<u>7,465,879</u>	<u>3,318,021</u>	<u>(3,755,646)</u>	<u>94,859,044</u>
Liabilities							
Liabilities	23,187,251	-	6,345,940	6,131,251	970,392	(3,800,766)	32,834,068
Total liabilities							<u>32,834,068</u>

**Melbourne City Mission
Directors' declaration
30 June 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors:

On behalf of the directors

Jonathan Mortimer
Chairperson

John Russell
Director

26 October 2023

Melbourne City Mission
Independent auditor's report to the members of Melbourne City Mission

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Melbourne City Mission
Independent auditor's report to the members of Melbourne City Mission

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