Annual Report 2024

SATURDAY PROGRAMS

SCHOOL HOLIDAY PROGRAM

SOCIAL ASSISTANCE

TRANSPORT

Morrissey

Actively Supporting You

DEMENTIA SPECIFIC SERVICES

DOMESTIC ASSISTANCE

OVERNIGHT RESPITE

SHORT TERM ACCOMMODATION

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Annual General Meeting

Morrissey is a not-for-profit, public benevolent organization and therefore holds an Annual General Meeting at the end of each year financial year. This gives members the opportunity to come together and share in the organisational successes and accomplishments of the year. Members are provided with an opportunity to ask questions, and to elect future members to the Board.

21 October 2024 at 1.00pm – 2.30pm

119 South Western Highway, Glen Iris

AGENDA

1. Welcome by Chair
2. Present
3. Apologies
4. Minutes of previous Annual General Meeting
5. Business arising from minutes - NIL
6. Presentation of Chairman’s report
7. Presentation of Accountant’s report and presentation of audited accounts – Annexure “A”
8. Presentation of Manager’s report
9. Presentation of outgoing Board Members
10. Election of Board Members
11. Appointment of Auditor
12. Appointment of Accountant
13. Appointment of Patron
14. Appointment of Legal Advisor
15. Special business
16. Close of Meeting

A year in focus

Morrissey commenced negotiations in 2022 with the Shire of Harvey to have the existing lease agreement amended to reflect the change in use of the premises. After extensive negotiations, the engagement of Tecon Australia – Building Surveyors, Certifiers, Town Planning Consultants who conducted an independent review of the premises to determine and provide a report detailing accessibility to the building and meeting the necessary building standards, the lease was presented to the Shire of Harvey Council meeting and renewed.

Late 2022 the Main Roads indicated the Dodson Road intersection would be undergoing redevelopment. Early 2023 Morrissey engaged a number of consultants to prepare a report detailing the effects on access to the car park and plans which could alleviate congestion and safety. As a result, and with the increase in demand for respite services the Board undertook investigations into the construction of a new respite house. Various locations were considered however it was all agreed being built directly behind the existing Bunbury site was the most relevant option. MCG Architects were engaged to draft concept design plans, which together with Across Planning who prepared a report after consultations with the City of Bunbury, Department of Planning Lands and Heritage, Department of Water and Environmental Regulation, Main Roads South West (plus City of Bunbury technical services officer) was submitted in April 2024 to the Greater Bunbury Regional Scheme with a proposal to amend the existing zoning of the property.

Raising funds to support client services, remains a priority. An initiative Michelle Ferguson introduced was the opportunity for members, or local business to "Sponsor a Respite Bed" for a year or ongoing annually.

RESPITE BED SPONSORS

Cape Abilities
SALES • SERVICE • HIRE
Now *proudly* part of the Aidacare family.
aidacare HEALTHCARE EQUIPMENT

South West community CARE
caring is our business

The Mass Family

Switchboards WA PTY LTD

B·Aesthetics

Community support

Members of the community can assist Morrissey in many ways.

Cash for Cans

Car & truck batteries

Craft supplies

TRONOX

Tronox have come on board as a supporter by placing can collection points at their various operation sites where Tronox employees can

discard their empty bottles and cans.

RioTinto

Granted Morrissey with funds to purchase a piece of furniture for respite client.

Donation of personal care aids which Morrissey forwards to clients who will benefit from the donation.

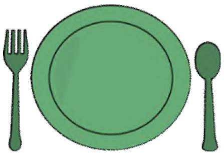
Training the workforce for the future

Morrissey works alongside a number of local Register Training Organisations to provide placement opportunities to complete hours and put in place the skills they have learnt in a classroom setting, to obtain qualification in Aged Care and/or Disability. Inducting and arranging student placements are one of the roles Tina looks after.

People we supported

Clients assisted
284

Hours of services provided
70,430



Meals provided
6,506

Work placement students
25 being 2,830hrs

Respite hours
8,540

Transported
69,765 kms

Domestic Assistance hours
2,824

Services Included

- Transport
- Respite including overnight
- Home and garden maintenance
- Domestic assistant
- School holiday programs
- Personal care
- Social group at centre
- Social support
- Short term accommodation
- Saturday community access programs

Collaboration & Partnerships

- Australian Government Department of Health and Aged Care
- National Disability Insurance Agency
- Department of Communities
- Carers WA
- Cancer Council

Quality Audits & Advisory Bodies

Successful NDIS Renewal

Introduction of a *Consumer Advisory Body* – Consisting of Clients, Carers and Chairperson

Introduction of *Quality Care Advisory Body* – Consisting of Clients, direct support staff and Key Personnel

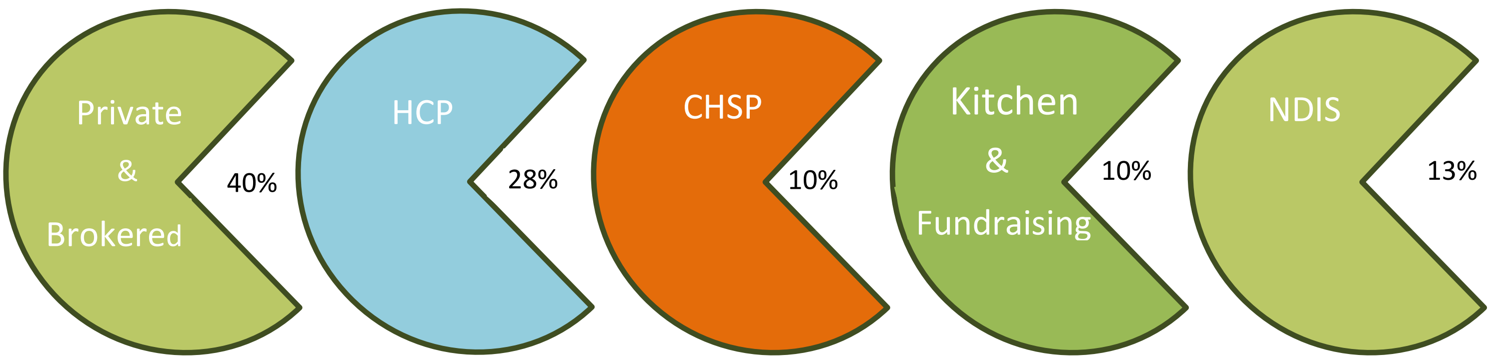
Part of the Aged Care reforms the Morrissey Board introduced and implemented two committees, the *Consumer Advisory Body* which gives Clients additional opportunities to help fix problems and improve care. They allow you a way to talk about care, service quality and share with the provider's governing board. The second committee is the *Quality Care Advisory Body* the role of this advisory body is to support and inform the Morrissey Board, help with problem solving and suggest improvements.

Strategic & Future Developments

thebox – a creative agency, with a strong focus on strategy worked collaboratively with Morrissey Clients, Volunteers, Board and Management; to develop Strategic and Operational Plans which details steps over the next 5 yrs to be taken to ensure we provide services which are identified, needed in a responsive time frame.

thebox – are currently working with the Morrissey administration team to remaster the Morrissey website. We anticipate the new site will be up and operational by the end of November.

Income streams & percentages



Our Board

Morrissey's Board is comprised of a team of dedicated volunteers, who donate their time and professional skills to ensure the strategic direction, support and governance of the organisation meet high standards. The contributions made to Morrissey by this group of people is invaluable and the support to Management is appreciated.

Chairperson – Christine Morgan

Christine joined the board in 2021 accepting the role of Chairperson in 2022. Christine has extensive experience in the field of Dementia care and is a founding member of the Bunbury Alzheimer's Association. Christine managed the Home and Community Care program, National Respite for Carers Program and Aged Care Packages under the Auspice of the Bethanie Group.

Annette Whitelaw

Annette joined the Board in 2016. Annette is passionate about people having choice and being treated with dignity and respect. Annette, previously was the Manager at Morrissey between 1986 – 2009 she was awarded Life Membership to Morrissey in 2018 and in recognition and honour of Annette's dedication to the service the Respite Wing was named "The Annette Whitelaw Wing

Margaret Robertson

Commenced on the Board in 2021. Margaret is a retired librarian and worked in the industry for over 40 years. Marg is an active member of the Rotary Club – Bunbury, awarded Rotarian of the Year 2018, previously holding positions of Treasurer and President.

Sheryl Sala - Deputy Chair

Sheryl became a member of the Board in 2022, she has lived in Bunbury for the past 45 years, Sheryl has a background as a Technical Training with Tronox. Sheryl previously managed an Aged Care service when the permanent Manager had an extended leave of absence. Sheryl has since retired from her professional life and joined the Board. Sheryl has been involved for a number of years with the Great Cycle Challenge – to raise funds to help fight kids' cancer. Lives by the motto 'Have the best life!

Geoffrey Klem

Geoff joined the Board in 2020 bringing a wealth of experience. Geoff is a qualified Town Planner and Project Manager. A former Principal Advisor to the Deputy Premier, Policy Director in the Department of the Premier and Cabinet, a member of the WA Planning Commission and the Disability Services Commission.

Amelia Harrington

Amelia joined the Board in 2023 with a background in the mining industry before moving into the maritime industry in recent years. Amelia has a varied professional background. With a strong business acumen and analytical mind, Amelia has held several financial roles, including Business Manager of their successful family business, before moving into her most recent role of Revenue Analyst.

Our Board continued

Paul Diggins

Is the newest member of the Board, Paul joined September 2024. Paul has an extensive background management, marketing, promotions and finances. Paul is the Dealer Principal for the Southwest Vehicle Group. He has a Master of Business Administration and a Bachelor of Business (Marketing) He is a member of the Rotary Club of Bunbury/Greater Bunbury and Bunbury Aero Club.

Del Ambrosius

Del became a member of Morrissey Board in 2024. Del has worked as a Communications Officer for the City of Bunbury, at the Bunbury Library Local Studies Collections Officer, a journalist for the South Western Times, Government Media Office and ABD radio presenter & producer. Del enjoys spending time with her grandchildren.

Our Patron

Rowland Blades

Served on the Morrissey Board since 2016 as a Community Member prior to accepting the role of Chairman in 2018, retiring in June 2020.

Rowland's connection to Morrissey expands beyond his position on the Board when he was Morrissey's Home and Community Care Program Project Manager at which time, he was instrumental in securing the additional funds for the development of our Leschenault premise.
Rowland's expertise in community development and contract management in the Aged sector has been invaluable to the Board.

Management Leadership Team

Manager
Lisa Malatesta - Lisa commenced at Morrissey in 1995 as a Administration trainee, during her employment Lisa had many position changes from client assistant, maintenance, cook, driver, finance officer, Assistant Manager which Lisa believes has assisted her in her role as the Manager.

Assistant Manager
Michelle Ferguson –joined the Morrissey team in 2006 as a part time Activity Assistant. Her talents were recognised and she was appointed to Supervisor and Snr Supervisor. During her employment she has also held positions for Program Development Coordinator, Aged Care Liaison moving to her current position of Assistant Manager in 2019.

Administration and Client Services Team

Respite Coordinator: Desley Baker

Scheduler: Tina Myles

Supervisor: Parae Pitman

Finance Officer: Lisa Soulos

Client Liaison: Kylie Lloyd-Murray

Administration: Penny Day

Administration trainee: Amber Malatesta

Our Staff

Morrissey's biggest asset is our staff. We are fortunate to have staff from various backgrounds and cultures. They understand the organizational values of Morrissey and work towards meeting them.

Upskilling is an essential part of maintaining quality services and 85% of Morrissey staff have dual qualifications in Aged Care and Disability.

Flexibility and reliability are how we are able to meet a client's needs and our team understand this. On countless times, they are asked to step up to ensure services continue. As Management, we also understand about maintaining a work life balance and we return their gestures by being as flexible as possible to meet "life" commitments.

The ‘smiles say it all’

Annual General Meeting

16th of October 2023 at 1pm

123 South Western Highway, Glen Iris

Minutes

1. Welcome by Chair – Mrs Christine Morgan
    - Acknowledged the presence of distinguished guests including; Life Members, Board Members, Accountant – Megan William Jones
    - Lisa Malatesta - Manager, staff and all in attendance.
2. Present
    - As per list
3. Apologies
    - Kath Keeffe & Tatenda Chivere
4. Minutes of previous Annual General Meeting with amendments

MOTION: That the minutes be accepted as a true and correct record of the 2022 AGM meeting with amendments.
Moved: Phillip Smith **Seconded: Lyndall Rodgers**

5. Business arising from minutes
   None

6. Presentation of Chairman's report – Mrs Christine Morgan

MOTION: That the Chairman's Reports be accepted.
Moved: Geoff Klem **Seconded: Annette Whitelaw**

7. Presentation of Accountants and Audited Accounts Report: Megan William Jones – Accountant Annexure "A"

MOTION: That the Accountants Report & Audited Accounts be accepted.
Moved: Phillip Smith **Seconded: Sheryl Sala**

8. Presentation of Manager's report

MOTION: That the Managers Report be accepted.
Moved: Sheryl Sala **Seconded: Lyndall Rodgers**

9. Election of Board Members
   Returning Members; Annette Whitelaw – 2023/2025, Christine Morgan – 2023/2025, Margaret Robertson – 2023/2025, Sheryl Sala – 2023/2025, Geof Klem – 2023/2024.

MOTION: Annette Whitelaw, Christine Morgan, Margaret Robertson, Sheryl Sala, are endorsed for two-year term (2023/2025) and Geof Klem be endorsed to for a one-year term (2023/2024).
Moved: Lyndall Rodgers **Seconded: Phil Smith**

Election for a three-year term;

Tatenda Chivere – 2023/2026, Amelia Harrington 2023/2026.

MOTION: Tatenda Chivere, Amelia Harrington be endorsed to for a three-year term (2023/2026).
Moved: Sheryl Sala Seconded: Annette Whitelaw

10. Appointment of Auditor

MOTION: That AMD Chartered Accountant be appointed as MHI's Auditor for the 2023/2024 Financial Year.
Moved: Margaret Robertson Seconded: Phillip Smith

11. Appointment of Accountant

MOTION: That Nomad Accounting be appointed as MHI's Accountant for the 2023/2024 Financial Year.
Moved: Geoff Klem Seconded: Sheryl Sala

12. Appointment of Patron
    - Rowland Blades current Patron be appointed for the 2023/2024 year.

MOTION: That Rowland Blades be appointed as Patron for 2023/2024 year
Moved: Lyndall Rodgers Seconded: Margaret Robertson

13. Appointment of Legal Advisor

MOTION: That Paul Lander of Lander Lawyers be endorsed as MHI's legal representative 2023/2024 year.
Moved: Annette Whitelaw Seconded: Sheryl Sala

14. Special Business

14.1 Stefan Zwickl (Client) addressed the membership.
"My wife Judith passed away; I miss her". "We will both always be Morrissey clients, they do an excellent job, especially Ann Clapp & Bayle." "I have kept the documents we got to sign with Ann Clapp and am glad to be here with all my friends, especially my best friend Donna."

14.2 Rowland Blades (Patron) addressed the membership.
"Proud of the organisation, and always speak well of Morrissey. Reading the Annual Report and the turnaround of the organisation is a stunning event." "Morrissey is a great organisation which I thoroughly recommend and will use when I require support".

15. Close of Meeting at 1.30pm

The above minutes are a true and accurate record of this meeting.

Signature of the Chairman **Date**

Chairman's report

It is amazing to think that Morrissey Homestead has provided 40 years of service to the people of Bunbury and surrounding areas. Starting from a humble background to where we find ourselves today. This achievement could not have happened without the hard work of so many wonderful people – too many to mention here and I would not want to leave anyone out. Whether you work in Management, on the floor, out in the community, maintenance Department, or as a volunteer it takes all of you working together to make Morrissey Homestead the outstanding organization it is.

We are operating in an increasing challenging environment characterized by changing consumer behaviour, economic uncertainty and stricter regulations – this places so much pressure on each and every one of you, but we continue to meet all Government standards. Well, done.

To the coming year we continue to work on increasing our respite service, as we know this is a much-needed service in the community. Looking to progressing our plans for the proposed new respite facility, will take up a huge part of the coming year. I would like to thank Board member Geoff Klem for his hard work on this project. Thank you, Geoff.

The Strategic goals of our organization remain uppermost in our thinking and moving us forward. They are

- Morrissey Homestead clients experience a high level of client satisfaction by using our services
- Morrissey Homestead has sufficient, high-quality staff to deliver services (new and existing)
- Morrissey Homestead systems are used to maximum effect to support continuous improvement.
- Morrissey Homestead provides more respite and other services to more people
- Morrissey Homestead communicates and engages with key stakeholders including government, not for profit agencies and private providers to support the Objectives of the Organization. Communication with clients and staff supports the continuous improvement of services.

Let me finish by again thanking and congratulating employees and management on a job well done. Also, I would like to thank my colleagues on the Board for the constructive and positive collaboration during the year.

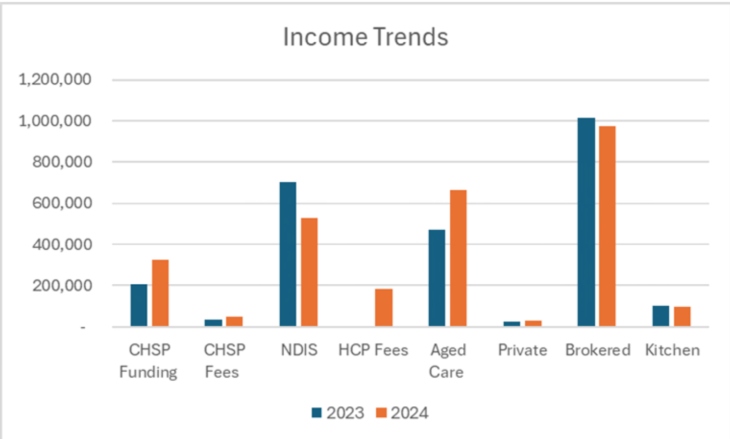
Christine Morgan
Chairperson

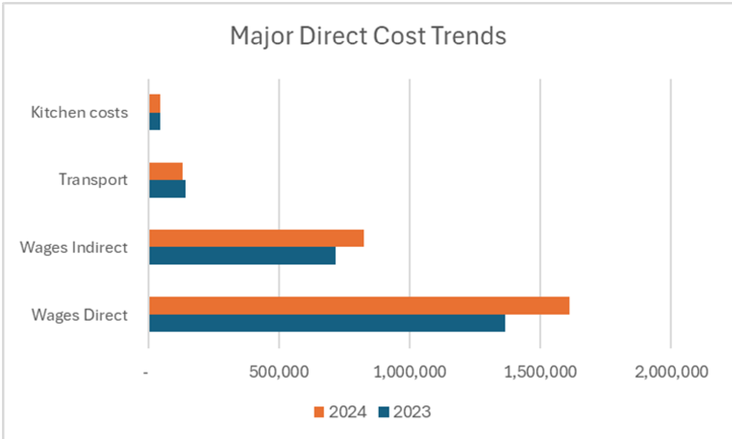
Accountant's report

The audited financial statements for the financial year to June 30, 2024, includes the financial information for Morrissey Homestead Inc (MHI) and those audited financial statements form part of and are incorporated into the AGM Report.

Sources of funding for the 2024 year remain constant, including NDIS, Aged Care and Community Home Care support. Client fees are also received from self-funded, brokered private clients. These include kitchen sales.

The changes over the last 2 years are reflected below:





Due to the nature of Morrissey's business, being human services, the major direct costs continue to be wages providing a high level of individual care and attention. This is followed by the provision of transport to and from the centre, as well as community outings and services to assist clients purchasing provisions. Other significant expenditure items include administration, general maintenance and insurance.

Respite continues to be important to the financial outcomes of Morrissey and will be a large focus for the 2025 financial year.

Market trends and needs are always changing and having the financial flexibility to move with the changing needs is what has made Morrissey successful.

Whilst the surplus was small for 2024 work is being undertaken to ensure a secure financial future for such an important service organisation.

Regards

Megan Williams-Jones
Accountant

Manager’s report

This year marked a marvelous achievement for Morrissey, celebrating 40 years of service delivered to the community. This milestone was celebrated with a party, where 80 guests, staff and volunteers were in attendance. It was a fabulous event, Clients, previous Board Members, Managers, Staff members and Volunteers attending.

2023/2024 continued to be a busy administrative year, we undertook the stringent process of National Disability mid-term audit and achieved a result of fully compliant with no actions required. The Board together with input from staff and clients developed the Morrissey 5 year Strategic and Operational Plan from draft document to completion, this details the steps required to be taken to achieve our organization goals.

thebox – the Storytelling Agency was engaged to remaster the Morrissey website, we are excited to say we are halfway through the process, we expect anticipated the new website to be up and running by the end of November 24.

With all the reforms happening with the Aged Care, and Disability Industry, and changes to Fair Work (employment rights), Morrissey are focused on updating all our Policy & Procedure manuals to reflect the legislative changes and requirements. This way we will not only continue to maintain our approval as a quality endorsed organisation from both the Quality Aged Care Commission and the NDIS Quality and Safeguards Commission, you will have confidence in service delivery remaining at the highest of standards.

Respite continues to grow, and with every experience, clients and families are becoming more confident, knowing that clients are the priority of the staff. Staff make sure their stay with Morrissey, is in some ways, a little holiday for the client, and carers can have a much-deserved break, allowing time to look after themselves and their personal well-being.

Morrissey established a collaboration with South West Community Care (SWCC). SWCC were looking for a new home to deliver social centre services, by sharing the Leschenault Centre, Morrissey respite clients now have the option to stay at the centre for the day, supported by Morrissey staff if they wish. SWCC have assisted Morrissey by maintaining the centre grounds while we were busy looking for a new maintenance man.

New programs were introduced, Grumpy old Guys and Coffee Cake and Colour. Both of these programs were designed for people who did not require may supports however wanted to connect with other people and develop friendships. I am so pleased these programs have proven to be very successful.

I extend a hand of immense gratitude and thanks to Michelle Ferguson – Assistant Manager, who shares my passion for Morrissey, her unwavering support is priceless, keeps the waters calm when things go off track.

Lisa Malatesta
Manager

Election of board members

Returning members for endorsement

Annette Whitelaw
Community Representative
2 year term
2023/2025

Margaret Robertson
Community Representative
2 year term
2023/2025

Geoff Klem
Community Representative
1 year term
2024/2025

Sheryl Sala
Community Representative
2 year term
2023/2025

Amelia Harrington
Community Representative
3 year term
2023/2026

Christine Morgan
Community Representative
2 year term
2023/2025

New members for endorsement

Del Ambrosius
Community Representative
3 year term
2023/2026

Paul Diggins
Community Representative
3 year term
2024/2027

Annexure "A"

MORRISSEY HOMESTEAD INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

MORRISSEY HOMESTEAD INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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

	Note	2024	2023
		$	$
Revenue	2	2,850,089	2,560,492
Other income	2	134,600	94,252
Employee expenses	3	(2,462,148)	(2,105,037)
Operational expenses	3	(161,465)	(173,697)
Depreciation expense	3	(81,921)	(74,714)
Advertising and promotion expenses		(14,713)	(5,054)
Occupancy expenses		(94,417)	(99,323)
Administration expenses	3	(163,976)	(158,294)
Current year surplus		6,049	38,627
Income tax expense	4	-	-
Net current year surplus		6,049	38,627
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value gains on financial assets		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		6,049	38,627

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024	2023
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,388,034	1,121,130
Financial assets	7	1,227,813	2,455,715
Accounts receivable and other debtors	8	238,555	263,208
Other current assets	9	148,347	128,702
TOTAL CURRENT ASSETS		3,002,749	3,968,755
NON-CURRENT ASSETS			
Financial assets	7	-	-
Property, plant and equipment	10	351,098	360,231
TOTAL NON-CURRENT ASSETS		351,098	360,231
TOTAL ASSETS		3,353,847	4,328,986
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	11	290,924	212,204
Contract liability	11(b)	1,305,049	2,423,141
Employee provisions	12	206,805	159,429
TOTAL CURRENT LIABILITIES		1,802,778	2,794,774
NON-CURRENT LIABILITIES			
Employee provisions	12	45,088	34,280
TOTAL NON-CURRENT LIABILITIES		45,088	34,280
TOTAL LIABILITIES		1,847,866	2,829,054
NET ASSETS		1,505,981	1,499,932
EQUITY			
Reserves	13	292,725	292,725
Retained surplus		1,213,256	1,207,207
TOTAL EQUITY		1,505,981	1,499,932

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Retained Surplus	Future Sustainability Reserve	Total
		$	$	$
Balance at 1 July 2022		1,168,580	292,725	1,461,305
Comprehensive income				
Net surplus (deficit) for the year		38,627	-	38,627
Other comprehensive income for the year		-	-	-
Total comprehensive income		38,627		38,627
Transfers to / (from) reserves				
Balance at 30 June 2023		1,207,207	292,725	1,499,932
Balance at 1 July 2023		1,207,207	292,725	1,499,932
Comprehensive income				
Net surplus for the year		6,049	-	6,049
Other comprehensive income for the year				
Total comprehensive income		6,049	-	6,049
Transfers to / (from) reserves				
Balance at 30 June 2024		1,213,256	292,725	1,505,981

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Recurrent Grants and Government Fee Contributions		(690,814)	851,588
Client Contributions		2,565,685	2,248,492
Interest Received		86,429	29,288
Payments to Employees (excluding leave entitlements)		(2,392,664)	(1,811,381)
Payments to Suppliers		(466,864)	(642,697)
Net cash provided by / (used in) operating activities	17	(898,229)	675,288
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Plant and Equipment		(72,789)	(63,945)
Proceeds from disposal of assets		10,020	1,395
Transfer from (to) financial assets		1,227,902	(92,347)
Net cash provided by / (used in) investing activities		1,165,133	(154,897)
Net increase in Cash Held		266,904	520,391
Cash at the beginning of the Financial Year		1,121,130	600,739
Cash as the end of the Financial Year	6	1,388,034	1,121,130

The accompanying notes form part of these financial statements.

Morrissey Homestead Incorporated is an Association incorporated in Western Australia and operating pursuant to the *Associations Incorporation Act (WA) 2015* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements were authorised for issue on 16th September 2024 by the members of the Board.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Associations Incorporation Act (WA) 2015,* the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. **Income Tax**

The Australian Taxation Office has endorsed Morrissey Homestead Incorporated as a Public Benevolent Institution which is eligible for the following concessions:

i) GST concession;

ii) FBT exemption;

iii) Income taxation exemption.

Morrissey Homestead Incorporated is endorsed as a Deductible Gift Recipient (DGR).

No change in the Association's tax status as a result of activities undertaken during the year is likely.

b. **Fair Value of Assets and Liabilities**

The Association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the Association at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Association's own equity instruments may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

reference to observable market information where identical or similar instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

c. **Property, Plant and Equipment**

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The cost of fixed assets constructed by the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Capitalisation Threshold

Fixed assets purchased at a cost for less than $1,000 are expensed in the year of purchase.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Motor Vehicles	33%
Computer Equipment	20-50%
Plant and Equipment	10-20%
Centre Equipment	10-25%
Office Equipment	15-20%
Leasehold Improvements	10-30%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised.

d. **Leases**

The Association as lessee

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.
Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Association to further its objectives (commonly known as peppercorn/concessionary leases), the Association has adopted the temporary relief under AASB 2019-8 and measures the right of use assets at cost on initial recognition.

e. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Association commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liability is subsequently measured at amortised cost using the effective interest method.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- it is part of a portfolio where there is an actual pattern of short-term profit taking; or
- it is a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

The entity initially designates a financial instrument as measured at fair value through profit and loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

about the Association was documented appropriately, so as the performance of the financial liability that was part of an entity's financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Association made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Association's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Association no longer controls the asset (ie no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Association assesses whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Association measures the loss allowance of the financial instrument at an amount equal to the lifetime expected credit losses; and
- there is no significant increase in credit risk since initial recognition, the Association measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss, (ie diversity of its customer base, appropriate groupings of its historical loss experience etc).

Purchased or originated credit-impaired approach

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the Association measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to borrower's financial difficulty, that the lender would not otherwise consider;
- where it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

If a financial asset is determined to have low credit risk at the initial reporting date, the Association assumes that the credit risk has not increased significantly since initial recognition and accordingly can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Association applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial asset that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

f. **Impairment of Assets**

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

g. **Employee Provisions**

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages and salaries are recognised as part of current accounts payable and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, 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 approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

h. **Cash on Hand**

Cash on hand includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

i. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

j. **Revenue**

Revenue recognition

Operating Grants, Client Related Income, Donations and Bequests

When the Association receives operating grant revenue, client related income, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Association:
– identifies each performance obligation relating to the grant;
– recognises a contract liability for its obligations under the agreement; and
– recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

– recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9. AASB 16, AASB 116 and AASB 138);

– recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and

– recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest Income

Interest income is recognised using the effective interest method.

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

k. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

m. **Provisions**

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

n. **Critical Accounting Estimates and Judgements**

The Board evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key estimates

(i) *Impairment*

The Association assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations which incorporate various key assumptions.

(ii) *Estimation of useful lives of assets*

The estimation of useful lives of assets has been based on historical experience as well as lease terms for leasehold improvements. In addition, the condition of the asset is assessed at least once per year and considered against the remaining useful life.

Key judgements

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/value, quantity and the period of transfer related to the goods or services promised.

(ii) *Employee benefits*

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Association expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

o. **New and amended accounting policies adopted by the Association**

AASB 2018-7: Amendments to Australian Accounting Standards – Disclosure of Accounting policies or

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of Accounting estimates.

This standard resulted in terminology changes relating to material accounting policies (Formally referred to as significant accounting policies)

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Entity plans on adopting the amendment for the reporting period ending 30 June 2025. The amendment is not expected to have a material impact on the financial statements once adopted.

NOTE 2: REVENUE AND OTHER INCOME	**2024**	**2023**
	$	**$**
Revenue:		
CHSP Funding	323,515	206,659
Other Funding	4,545	-
Client Fees	2,426,715	2,250,705
Kitchen Income	95,314	103,130
Total revenue	2,850,089	2,560,494
Other income:		
Donations received	716	1,102
Fundraising	8,352	18,917
Insurance Refund	-	19,256
Use of facilities	7,228	3,176
Training Subsidy	5,974	10,877
Miscellaneous income	5,426	291
Disposal of Assets	10,020	1,395
Interest income	96,884	39,238
Total other income	134,600	94,252
Total revenue and other income	**2,984,689**	**2,634,746**

The ongoing operation of the services provided by Morrissey Homestead Incorporated is dependent upon the continued receipt of funds from the Department of Health and other funding providers.

NOTE 3: SURPLUS FOR THE YEAR	2024 $	2023 $
Employee expenses:		
Direct wages, salaries and superannuation	1,530,229	1,276,196
Direct employee leave provisions	49,184	41,328
Direct employee workers compensation insurance	38,134	48,073
Total direct employee expenses	1,617,547	1,365,597
Indirect wages, salaries and superannuation	799,615	726,629
Indirect employee leave provisions	9,001	(15,002)
Indirect employee workers compensation insurance	18,956	15,305
Other employment expenses	17,029	12,508
Total indirect employee expenses	844,601	739,440
	2,462,148	2,105,037
Operational expenses:		
Kitchen expenses	46,496	46,564
Centre and client expenses	9,217	7,880
Motor vehicle expenses	105,752	119,253
	161,465	173,697
Depreciation expense:		
Motor vehicles	24,928	21,832
Leasehold improvements	35,071	33,715
Plant and equipment	21,922	19,167
	81,921	74,714
Administration expenses:		
Accounting and audit expenses	44,484	47,016
Debtor impairment	6,862	5,490
Computer and IT expenses	28,547	28,779
Consulting expenses & professional fees	17,653	9,225
Insurance – business	19,917	17,985
Telephone expenses	8,206	12,574
Office expenses	9,350	5,480
Subscriptions	4,604	6,167
Other expenses	24,353	25,578
	163,976	158,294

NOTE 4: INCOME TAX EXPENSE

The Australian Taxation Office has endorsed Morrissey Homestead Incorporated as a Public Benevolent Institution which is eligible for the following concessions:

i) GST concession;

ii) FBT exemption; and

iii) Income taxation exemption

Morrissey Homestead Incorporated is endorsed as a Deductible Gift Recipient (DGR).

No change in the Association's tax status as a result of activities undertaken during the year is likely.

NOTE 5: AUDITOR'S FEES	**2024**	**2023**
	$	**$**
Remuneration of the auditor of the Association for:		
– auditing or reviewing the financial statements	16,120	15,120
– taxation services	-	-
– other services	-	690
	18,810	15,810

NOTE 6: CASH AND CASH EQUIVALENTS	**Note**	**2024**	**2023**
		$	**$**
Cash on hand		-	53
Cash at bank – unrestricted		1,388,034	1,121,077
	18	1,388,034	1,121,130

The effective interest rate on short-term bank deposits was 3.8% (2023: 3%); these deposits have an average maturity of 173 days (2023: 165) days.

NOTE 7: FINANCIAL ASSETS	**Note**	**2024**	**2023**
		$	**$**
CURRENT			
Financial assets at amortised cost			
- Term deposits	18	1,227,813	2,455,715
		1,227,813	2,455,715

	Note	2024	2023
NOTE 8: ACCOUNTS RECEIVABLE AND OTHER DEBTORS		$	$
CURRENT			
Trade receivable		175,917	181,342
Provision for impairment		-	-
		175,917	181,342
Other debtors and accrued income		41,615	70,937
Provision for impairment		-	-
GST receivable		21,023	10,929
		62,638	81,866
Total current accounts receivable and other debtors	18	238,555	263,208

The following table shows the movement in lifetime expected credit loss that has been recognised for accounts receivable and other debtors in accordance with the simplified approach set out in AASB 9.

a. **Lifetime Expected Credit Loss – Credit Impaired**

	Opening balance 1 July 2023	Net measurement of loss allowance	Amounts written off	Closing balance 30 June 2024
	$	$	$	$
(i) Trade debtors	-	(6,362)	(6,362)	-
(ii) Other debtors and accrued income	-	-	-	-
	-	-	-	-

The Association applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2023 and 30 June 2024 is determined as follows. The expected credit losses below also incorporate forward-looking information.

	Current	>30 days past due	>60 days past due	>90 days past due	Total
2023					
Expected Loss rate					0%
Gross carrying amount	156,326	24,929	(51)	138	181,342
Loss allowing provision	-	-	-	-	-
2024					
Expected Loss rate					0%
Gross carrying amount	155,952	15,242	812	3,911	175,917
Loss allowing provision					

b. **Credit Risk**

The Association has no significant concentrations of credit risk with respect to any single counterparty or group of counterparties.

The Association measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Association writes off an accounts receivable amount when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

Collateral held as security

No collateral is held as security for any of the accounts receivable or other debtor balances.

Note 9: Other Current Assets

	2024	2023
	$	$
Prepayments	127,636	118,446
Accrued interest	20,711	10,256
	148,347	128,701

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	$	$
Centre equipment:		
At cost	168,223	148,519
Accumulated depreciation	(118,421)	(106,845)
	49,802	41,674
Motor vehicles:		
At cost	705,555	676,735
Accumulated depreciation	(516,488)	(491,556)
	189,067	185,179
Office equipment:		
At cost	47,023	47,024
Accumulated depreciation	(39,655)	(36,421)
	7,368	10,603
Plant and equipment:		
At cost	88,161	81,676
Accumulated depreciation	(76,734)	(74,136)
	11,427	7,540
Computer equipment:		
At cost	65,991	65,991
Accumulated depreciation	(52,435)	(47,863)
	13,556	18,128
Leasehold improvements:		
At cost	329,124	315,380
Accumulated depreciation	(253,286)	(218,273)
	75,838	97,107
Website:		
At cost	4,040	-
Accumulated depreciation	-	-
	4,040	
Total Property, Plant and Equipment	351,098	360,231

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Centre Equipment	Motor Vehicles	Office Equipment	Plant and Equipment	Computer Equipment	Leasehold Improvements	Website	Total
	$	$	$	$	$	$	$	$
Balance at 1 July 2022	32,796	174,476	13,839	8,823	22,696	118,364	-	370,994
Additions	17,923	32,523	-	1,040	-	12,465	-	63,951
Disposals (net)	-	-	-	-	-	-	-	-
Depreciation expense	(9,045)	(21,814)	(3,236)	(2,323)	(4,568)	(33,728)	-	(74,714)
Carrying amount at 30 June 2023	41,674	185,179	10,603	7,540	18,128	97,107	-	360,231
Additions	19,703	28,817	-	6,485	-	13,746	4,040	72,789
Disposals (net)	-	-	-	-	-	-	-	-
Depreciation expense	(11,575)	(24,929)	(3,235)	(2,598)	(4,572)	(35,015)	-	(81,922)
Carrying amount at 30 June 2024	49,802	189,067	7,368	11,427	13,556	75,838	4,040	351,098

NOTE 11: ACCOUNTS PAYABLE AND OTHER PAYABLES	Note	2024 $	2023 $
CURRENT			
Unsecured liabilities:			
Accounts payable		154,469	127,834
Accrued expenses		49,043	55,830
Contract liabilities		1,305,049	2,423,785
Payroll liabilities		87,412	27,896
		1,595,973	2,635,345

a. **Financial liabilities at amortised cost classified as accounts payable and other payables**

	Note	2024	2023
Accounts payable and other payables:			
– total current		1,595,973	2,635,785
– total non-current		-	-
		1,595,973	2,635,785
Less contract liabilities		(1,305,049)	(2,423,141)
Financial liabilities as accounts payable and other payables	18	290,924	212,204

The average credit period on accounts payable and other payables is 30 days.

b. **Contract liabilities**

	2024 $	2023 $
Amounts related to contracts	1,150,475	2,169,349
Amounts received in advance of services	154,574	253,792
Total contract liabilities	1,305,049	2,423,141

NOTE 12: EMPLOYEE PROVISIONS	2024 $	2023 $
CURRENT		
Employee provisions – annual leave entitlements	153,224	118,999
Employee provisions – long service leave	53,581	40,430
	206,805	159,429
NON CURRENT		
Employee provisions – long service leave	45,088	34,280
	251,893	193,709
Analysis of employee provisions – annual leave entitlements		
Opening balance at 1 July	193,708	167,382
Additional provisions	217,703	133,799
Amounts used	(159,518)	(107,472)
Balance at 30 June	251,893	193,709

NOTE 12: EMPLOYEE PROVISIONS

Employee provisions – annual leave and long service entitlements

The provision for employee benefits represents amounts accrued for annual leave and long service leave entitlements.

Based on past experience, the Association does not expect the full amount of annual leave to be settled wholly within the next 12 months. However, the amount must be classified as a current liability because the Association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

NOTE 13: FUTURE SUSTAINABILITY RESERVES

The Morrissey Homestead Incorporated Board believes the principles of financial sustainability are central to the long-term security and viability of the association. To achieve its strategy, the Board approved the establishment of a Future Sustainability Reserve within the 2018/2019 financial year. This reserve may be utilised to meet non-funded capital expenditure, the capacity to undertake strategic research and innovation, or the ability to meet unforeseen expenditure that cannot legitimately be absorbed by funding without compromising service delivery.

The balance of to the Future Sustainability Reserve as at 30 June 2024 was $292,725. This amount represents own source funds resulting from fundraising undertaken by Morrissey Homestead Incorporated.

The Future Sustainability Reserve is administered by the Board and requires approval, in all instances to support the expenditure of these funds. All spending from the Future Sustainability Reserve requires a clear rationale for approving the expenditure and a clear demonstration that alternative financial solutions cannot be procured from traditional sources.

Note 14: Commitments

a. **Lease Commitments**

City of Bunbury

A lease agreement has been entered into for the lease of Lot 65 (123) South Western Highway, Bunbury. The term of this lease is 1 July 2011 to 30 June 2026. The lease agreement was signed on 15 September 2011.

A Deed of Variation was signed January 2019 to extend the lease area.

Shire of Harvey

Morrissey Homestead Inc. has entered into a lease agreement with the Shire of Harvey to occupy Lot 42 Clifton Close, Australind with the term of the lease being 1 December 2022 to 30 November 2027.

b. **Capital Commitments**

As at 30 June 2024 Morrissey Homestead Incorporated had no capital commitments (2023: Nil).

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events since the end of the reporting period.

NOTE 16: RELATED PARTY TRANSACTIONS

	2024	2023
	$	$
a. **Key Management Personnel**		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, including its committee members, is considered key management personnel.		
Key management personnel compensation:		
– short-term employee benefits	271,028	143,636
– Post-employment benefits	27,921	13,866
– Other Long-term Benefits	26,730	-
	325,679	157,502

b. **Other Related Parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

NOTE 17: CASH FLOW INFORMATION	2024 $	2023 $
Reconciliation of net cash flow from operations with net surplus:		
Net surplus from ordinary activities	6,049	38,327
Adjustments for:		
Depreciation	81,921	74,714
Net loss (Gain) on disposal of assets	(10,020)	(1,395)
Change in operating assets and liabilities:		
Accounts receivable and other accruals	54,490	(54,306)
Other assets	(19,645)	(54,855)
Accounts payable and other accruals	78,720	98,025
Provisions	58,183	26,327
Contract Liability	(1,147,929)	548,451
	(898,229)	675,288

NOTE 18: FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, investments in listed shares, receivables and payables, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments*, as detailed in the accounting policies to these financial statements, are as follows:

	Note	2024 $	2023 $
Financial assets			
Financial assets at amortised cost			
– cash and cash equivalents	6	1,388,034	1,121,130
– accounts receivable and other debtors	8	238,555	263,208
– financial assets: term deposit	7	1,227,813	2,455,715
Total financial assets		2,854,402	3,840,053
Financial liabilities			
Financial liabilities at amortised cost:			
– accounts payable and other payables	11	290,924	212,204
Total financial liabilities		290,924	212,204

NOTE 18: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Association's Board is responsible for, among other issues, monitoring and managing financial risk exposures of the Association. The Board monitors the Association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held and minuted by the Board.

The overall risk management strategy seeks to ensure that the Association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Association is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association.

Credit risk is managed through the maintaining of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions).

There is no collateral held by the Association securing accounts receivable and other debtors.

The Association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality.

The Association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the Association's financial position on a regular basis.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Association does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

NOTE 18: FINANCIAL RISK MANAGEMENT

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Accounts payable and other payables (excluding annual leave provisions and contract liabilities)	290,924	212,204		-		-	290,924	212,204
Total contractual outflows	290,924	212,204		-		-	290,924	212,204
Total expected outflows	290,924	212,204		-		-	290,924	212,204
Financial assets – cash flows realisable								
Cash and cash equivalents	1,388,034	1,121,130		-		-	1,388,034	1,121,130
Accounts receivable and other debtors	238,555	263,208		-		-	238,555	263,208
Financial assets at amortised cost	1,227,813	2,455,715		-		-	1,227,813	2,455,715
Total anticipated inflows	2,854,402	3,840,053		-		-	2,854,402	3,840,053
Net (outflow)/inflow expected on financial instruments	2,563,478	3,627,849		-		-	2,563,478	3,627,849

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

c. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Association is exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Association to interest rate risk are limited to lease liabilities, listed shares and cash on hand.

The Association also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) *Sensitivity analysis*

The following table illustrates sensitivities to the Association's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

NOTE 18: FINANCIAL RISK MANAGEMENT

	Current Surplus	Equity
Year ended 30 June 2024	$	$
+/– 2% in interest rates	27,761	27,761
+/– 2% in financial assets at amortised cost	24,566	24,566
Year ended 30 June 2023		
+/– 2% in interest rates	12,015	12,015
+/– 2% in financial assets at amortised cost	46,682	46,682

No sensitivity analysis has been performed on foreign exchange risk as the Association has no exposure to currency risk.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

		2024		2023	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		$	$	$	$
Financial assets					
Financial assets at amortised cost:					
– cash and cash equivalents(i)	6	1,388,034	1,388,034	1,121,130	1,121,130
– accounts receivable and other debtors(i)	8	238,555	238,555	263,208	263,208
Financial assets at amortised cost:					
– term deposits	7	1,227,813	1,227,813	2,455,715	2,455,715
Total financial assets		2,854,402	2,854,402	3,840,053	3,840,053
Financial liabilities – amortised cost					
Accounts payable and other payables(i)	11	290,924	290,924	212,204	212,204
Total financial liabilities		290,924	290,924	212,204	212,204

(i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside the scope of AASB 139.

NOTE 19: FINANCIAL SUPPORT

The ongoing operation of the services provided by Morrissey Homestead Incorporated is dependent upon the continued receipt of funds from the Department of Health and other funding providers.

NOTE 20: ASSOCIATION DETAILS

The principal place of business is:

Morrissey Homestead Incorporated

123 South Western Highway

BUNBURY WA 6230

ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND PERFORMANCE OF INCORPORATED ASSOCIATION

STATEMENT BY MEMBERS OF THE BOARD

In accordance with a resolution of the Board of Morrissey Homestead Incorporated, we state that:

In the opinion of the Board:

1. The financial statements and notes of the Association are in accordance with the *Associations Incorporation Act (WA) 2015 and Australian Charities and Not-for-profits Commission Act 2012*, including:

   a) Giving a true and fair view of the Association's financial position as at 30 June 2023 and its performance for the year ended on that date; and

   b) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Associations Incorporation Act (WA) 2015 and *Australian Charities and Not-for-profits Commission Act 2012*;

2. There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chairperson:..

Board Member: ....

Dated this 16th day of September 2024