Melbourne City Mission

ABN 56 161 846 149

Annual Report - 30 June 2022

Melbourne City Mission
Directors' report
30 June 2022

Your Directors submit their report for the year ended 30 June 2022

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.

Di McDonald (Chair untill November 2021)	Completed tenure November 2021
John Jeffreys	
Leonie Boxtel (Deputy Chair untill September 2021)	Resigned September 2021
Joe Carbone	Resigned April 2022
Jonathan Mortimer (Chair from November 2021)	
Marion Hemphill (Deputy Chair from November 2021)	
John Russell	
Caroline Sheehan	
David Rennick	
Stacey Ong	

Information on directors

Name:	Di McDonald (Chair untill November 2021) - completed tenure November 2021
Title:	A member of the Board since 2011; appointed Chair, January 2016.
Qualifications:	B.App.Sc, Grad. Dip. Education, Grad. Dip. Rehabilitation, Grad. Dip. Bus. Mgt., M.Mgt. (Organisational Systems), MAICD.
Experience and expertise:	Di has an extensive background and formal qualifications in business development and management in the occupational health, disability and human resources fields. She has over 25 years of demonstrated leadership in senior roles including at Managing Director and CEO level in NFP, privately owned and publicly listed organisations, as well as Executive and Non-executive positions on Boards and Advisory Boards. Currently Di is Chair of the NFP Law and Advocacy Centre for Women (LACW); is a member of the Cabrini Foundation Board; a member of the Hester Hornbrook Academy Board; sits on the Advisory Board for Psychology Melbourne, and is a member of the Institute of Company Directors. Di sees it as a privilege to be a member of the Melbourne City Mission Board and is highly committed to making opportunities accessible to those that are the most disadvantaged and at risk.

Name:	John Jeffreys
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:	Leonie Boxtel (Deputy Chair) - resigned September 2021
Title:	A member of the Board since October 2014; appointed Deputy Chair November 2018.
Qualifications:	B Arts (Hons), M. Bus. (Marketing), MAICD.
Experience and expertise:	Leonie has extensive experience in strategy development, marketing and communications, and philanthropy in Australia and in the Asian region. She has over two decades of experience in executive and senior management roles in higher education, government, and the not-for-profit sector. Currently Executive Officer of a Melbourne-based Family Foundation, Leonie holds a BA from Monash University, Master of Business from RMIT, and NAATI Level 3 interpreting & translating qualifications in Japanese. Leonie is a graduate of the Australian Institute of Company Directors and Deputy Chair of the International Women's Development Agency.
Special responsibilities:	Deputy Board Chair; Chair of the Nominations & Remuneration Committee

Name:	Joe Carbone - resigned April 2022
Title:	A member of the Board since June 2017.
Qualifications:	BHA (Health Administration), GAICD.
Experience and expertise:	Joe is an experienced Board Director and Chief Executive who has held senior leadership roles across 3 industry sectors (Health Care, Local Government and Retail/Manufacturing). He has worked extensively with Boards and multi-disciplinary professionals through reform eras in large complex service organisations and innovative commercial enterprises. Joe has valuable insights on innovative leadership and diverse stakeholder engagement. His focus across a career spanning 40 years has been around empowering organisations to chase innovation and continuous improvement in the context of value creation for stakeholders and consumers. Joe is a Graduate Member of the Australian Institute of Company Directors and holds a Bachelor of Health Administration (University of NSW).
Special responsibilities:	Member Nominations & Remuneration Committee

Name:	Jonathan Mortimer (Chair from November 2021)
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 from November 2021)
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.

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:	Member Board Finance Investment & Audit Committee

Name:	David Rennick
Title:	A member of the Board since March 2021
Experience and expertise:	David brings over 30 years' experience in the professional services and property industries to his role as Director and Chair of the Board Quality Safety & Risk Committee. David is also Director of The Hester Hornbrook Academy Board. David is currently a Senior Advisor to Inspired Companies where he works with companies to unlock potential from becoming purpose led. His responsibilities include leadership development and coaching. Previously he was Board Member of international law firm Pinsent Masons and CEO of Maddocks. David's legal expertise includes property development, corporate real estate and retail property. David is also a Director of Melbourne Football Club.
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 15 years' experience in both private, public and community sectors. Stacey is a former Director with PricewaterhouseCoopers (PwC) in management consulting 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, a member of Melbourne Genomics' Community Advisory Group and a mentor with IPAA's Women of Colour program and StartSpace's founder mentoring program. Stacey was PwC's inaugural staff lead for its cultural diversity and inclusion network for three years engaging 8,000 staff in a conversation about cultural diversity, equality and inclusion.
Special responsibilities:	Member of the Board Quality Safety & Risk committee

Company secretary
Jacquie Scales
Affiliated GIA
Company Secretary appointed 30 August 2017
Jacquie brings extensive experience to the role, having supported boards and senior executives in both the corporate and not-for-profit sectors for over 14 years; more recently as Company Secretary.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Board Finance Investment & Audit		Board Quality, Safety & Risk Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Di McDonald	4	4	-	2	1	2
John Jeffreys	12	12	6	6	-	-
Leonie Boxtel	2	3	-	-	-	-
Joe Carbone	4	4	-	-	-	-
Jonathan Mortimer	12	12	6	6	4	4
Marion Hemphill	10	12	-	-	4	4
John Russell	12	12	6	6	-	-
Caroline Sheehan	12	12	-	-	-	-
David Rennick	11	12	-	-	3	4
Stacey Ong	8	9	-	-	3	4

	Board Nominations & Remuneration Committee	
	Attended	Held
Di McDonald	5	5
Leonie Boxtel	4	4
Joe Carbone	6	6
Marion Hemphill	7	7
Caroline Sheehan	3	3
Jonathan Mortimer	7	7

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Objectives

Melbourne City Mission exists so that people can lead positive lives - their best future, their way. We work with people at risk of poor outcomes. Our innovative services prevent and disrupt progression to greater and different forms of disadvantage throughout people's lives.

Our short term objectives include:

- Transforming our disability services and enhancing our capabilities to respond to the implementation of the NDIS.

- Delivering our innovative new model of Youth Refuge to address the complex needs of an extremely disadvantaged group of young people not currently serviced by the homelessness system or other inter-related systems.

- The Hester Hornbrook Academy is delivering quality education programs in a high support flexible learning environment. With 300 students who have overcome historical barriers to their education progress now actively working towards their VCAL, the Academy is proud of what it has achieved and excited about the potential in the next five years.

- As a newly formed Community Housing Provider, MCM Housing exists to prevent and disrupt cycles of disadvantage throughout people's lives by providing young people with affordable social housing. Our vision is to create a fair and just community where young people have equal access to housing opportunities and resources.

Our longer term strategic goals include:

- Maximising our impact: We will grow our services to respond to areas of unmet community need.

- Profit for Purpose: We will ensure we create a financially sustainable business able to respond to marketisation of social services.

- Innovation: We will create new disruptive models that improve the lives of people at risk of poor outcomes.

MCM creates an overarching business plan to manage and monitor our annual objectives, the CEO and managers have a 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
In the year, MCM has repaid the $3.5m bank loan for the building of the Western Campus in Sunshine for Hester Hornbrook Academy.

During the year, Hester Hornbrook Academy has executed significant expansion plans with work commencing to covert part of the South Melbourne site to be fitted for education purpose. The renovation work is expected to complete in time for the 2023 school year and able to accommodate 90 extra students. Hester Hornbrook Academy has also acquired two parcels of land to build new campuses in coming years.

MCM Housing has acquired two blocks of lands in the West to build the Congregate and Core and Cluster accommodation as part of the Youth Housing Initiative program. Dr John Singleton Trust provided capital grant to assist in the purchase of the lands.

Events Subsequent to Balance Date
Melbourne City Mission and Able Australia entered an Agreement of Sale of the Supported Independent Living Services. The form of sale is via a transfer of Melbourne City Mission staff, clients and all third party contracts to Able Australia. The sale concluded on 11 July 2022 at which point all staff and third party agreements have transferred to Able Australia.

No other matter or circumstances has arisen since 30 June 2022 that has significantly affected, or may significant 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.

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 Jeffreys Director

26 October 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF MELBOURNE CITY MISSION

I declare that, to the best of my knowledge and belief during the year ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

CSweeney

C. L. Sweeney
Director
Melbourne, 18th October 2022

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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 2022. 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 2022

	Note	Consolidated 2022 $	2021 $
Revenue	3	93,194,634	91,591,183
Total revenue		93,194,634	91,591,183
Expenses			
Disability Services		(27,099,934)	(30,117,339)
Homelessness & Family Services		(29,451,721)	(26,742,605)
Education		(10,602,250)	(7,656,417)
Palliative Care Services		(5,675,173)	(5,088,411)
Shared Services		(16,149,843)	(15,037,658)
Fundraising and Public Information		(1,303,063)	(1,539,657)
Living Learning		(1,623,570)	(850,678)
MCM Housing		(341,459)	-
Total expenses		(92,247,013)	(87,032,765)
Operating surplus		947,621	4,558,418
Capital Grants	3	1,251,333	1,117,500
Investment Revenue	3	1,402,180	853,330
Bequests	3	361,109	390,853
Capital Appeal	3	-	80,000
Net Profit on Sale of Non Current Assets	3	1,325,767	-
Insurance Claim	3	26,992	-
Surplus for the year		5,315,002	7,000,101
Other comprehensive income			
Items that may not be reclassified subsequently to profit or loss			
Gain/(Loss) on the revaluation of financial assets		(2,670,674)	2,483,925
Other comprehensive income for the year		(2,670,674)	2,483,925
Total comprehensive income for the year		2,644,328	9,484,026

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 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Assets			
Current assets			
Cash and cash equivalents	5	15,461,176	16,521,862
Trade and other receivables	6	4,530,943	3,428,697
Contract assets	7	1,598,449	399,612
Financial assets at fair value through other comprehensive income	8	22,383,493	25,904,812
Other assets	9	163,688	491,251
Total current assets		44,137,749	46,746,234
Non-current assets			
Property, Plant and Equipment	10	25,880,101	25,419,872
Right-of-use assets	12	14,114,702	12,521,804
Intangibles	13	6,348,481	5,755,094
Externally Funded Property, Plant and Equipment	11	233,549	245,687
Other assets	9	308,751	799,003
Total non-current assets		46,885,584	44,741,460
Total assets		91,023,333	91,487,694
Liabilities			
Current liabilities			
Trade and Other payables	14	6,643,342	7,987,930
Contract liabilities	15	4,935,150	3,945,730
Lease liabilities	18	2,276,554	2,036,035
Employee Benefits	17	5,389,929	5,954,498
Other Current Liabilities	19	1,085,922	2,002,673
Total current liabilities		20,330,897	21,926,866
Non-current liabilities			
Borrowings	16	3,500,000	6,750,000
Lease liabilities	18	13,739,989	11,899,059
Employee Benefits	17	779,773	871,285
Other Current Liabilities	19	233,549	245,687
Total non-current liabilities		18,253,311	19,766,031
Total liabilities		38,584,208	41,692,897
Net assets		52,439,125	49,794,797
Equity			
Reserves	20	1,242,969	3,997,092
Retained surpluses		51,196,156	45,797,705
Total equity		52,439,125	49,794,797

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 2022

Consolidated	**Financial Asset Reserve $**	**Property Maintenance Reserve $**	**Retained Surplus $**	**Total equity $**
Balance at 1 July 2020	902,905	662,330	38,745,536	40,310,771
Surplus for the year	-	-	7,000,101	7,000,101
Other comprehensive income for the year	2,483,925	-	-	2,483,925
Total comprehensive income for the year	2,483,925	-	7,000,101	9,484,026
Transfer (to)/from reserve	-	(52,068)	52,068	-
Balance at 30 June 2021	3,386,830	610,262	45,797,705	49,794,797

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
Surplus for the year	-	-	5,315,002	5,315,002
Other comprehensive income for the year	(2,670,674)	-	-	(2,670,674)
Total comprehensive income for the year	(2,670,674)	-	5,315,002	2,644,328
	-	(83,449)	83,449	-
Balance at 30 June 2022	716,156	526,813	51,196,156	52,439,125

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 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Receipts from government subsidies, grants and customers		97,615,946	95,189,880
Payments to suppliers and employees (inclusive of GST)		(96,558,059)	(88,816,419)
Fees from residents and clients		2,355,871	2,799,729
Capital grants and donations		4,008,967	4,830,026
		7,422,725	14,003,216
Dividends received		681,507	359,969
Interest received		733,012	480,830
Finance costs		(1,009,698)	(1,018,778)
Net cash from operating activities		7,827,546	13,825,237
Cash flows from investing activities			
Payments for investments		(11,601,638)	(12,243,417)
Payments for property, plant and equipment	10	(2,267,111)	(8,542,196)
Payments for intangibles	13	(2,138,744)	(2,430,776)
Proceeds from disposal of investments		12,472,708	7,370,158
Net cash used in investing activities		(3,534,785)	(15,846,231)
Cash flows from financing activities			
Proceeds from borrowings		-	6,750,000
Repayment of borrowings		(3,250,000)	-
Repayment of lease liabilities		(2,103,447)	(1,914,992)
Net cash from/(used in) financing activities		(5,353,447)	4,835,008
Net increase/(decrease) in cash and cash equivalents		(1,060,686)	2,814,014
Cash and cash equivalents at the beginning of the financial year		16,521,862	13,707,848
Cash and cash equivalents at the end of the financial year	5	15,461,176	16,521,862

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 2022 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.

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 Fund 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 to 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 parities 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	
	2022	**2021**
	$	**$**
Local Government	480,000	530,095
State and Federal Government	58,191,288	57,061,149
Fees from Residents and Clients	1,873,975	1,953,306
Donations	2,408,663	3,253,811
Sundry Revenue	8,429,443	4,459,715
National Disability Insurance Scheme	21,811,265	24,333,107
Revenue	93,194,634	91,591,183

Note 3. Revenue (continued)

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

	Consolidated 2022 $	Consolidated 2021 $
Geographical regions		
Australia	93,194,634	91,591,183
Timing of revenue recognition		
Services transferred at a point in time	63,013,460	62,429,519
Services transferred over time	30,181,174	29,161,664
	93,194,634	91,591,183

	Consolidated 2022	Consolidated 2021
Other Revenue		
Insurance Claim Income	26,992	-
Net Profit on Sale of Non-current Assets	1,325,767	-
Capital Grants	1,251,333	1,117,500
Interest Revenue	734,295	479,904
Dividend Revenue	667,885	373,426
Bequests	361,109	390,853
Capital Appeal	-	80,000
Total	4,367,381	2,441,683

Note 4. Expenses

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

	Consolidated 2022 $	Consolidated 2021 $
a) Depreciation and Amortisation		
Depreciation - Freehold Buildings	118,795	49,617
Depreciation - Improvements	1,718,660	1,578,850
Depreciation - Motor Vehicles	4,468	4,469
Depreciation - Fixtures, Plant and Equipment	620,491	401,919
Amortisation - Computer Software	869,400	732,430
Right of Use Depreciation - Premises	1,911,358	1,837,741
Right of Use Depreciation - Motor Vehicles	642,509	470,567
Right of Use Depreciation - Office Equipment	38,131	57,197
Total Depreciation and Amortisation	5,923,812	5,132,790

Note 4. Expenses (continued)

	Consolidated 2022	Consolidated 2021
b) Employee Benefits Expense		
Wages and Salaries	55,578,217	53,874,628
Workers' Compensation Costs	985,247	1,001,150
Superannuation Costs	5,358,708	4,810,015
Annual Leave Movement	(204,482)	756,070
Long Service Leave Movement	317,664	457,208
Total Employee Benefits Expense	62,035,354	60,899,071

Note 5. Cash and cash equivalents

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Cash	1,289,900	911,577
Deposits at Call	14,171,276	15,610,285
	15,461,176	16,521,862

Note 6. Trade and other receivables

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Trade receivables	895,358	946,411
Less: Allowance for expected credit losses	(88,185)	(75,678)
	807,173	870,733
Sundry Debtors	3,457,254	2,467,903
Dividend Imputation Credit	266,516	90,061
	3,723,770	2,557,964
	4,530,943	3,428,697

(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 2022 $	Consolidated 2021 $
Current assets		
Contract assets	1,598,449	399,612

Note 8. Financial assets at fair value through other comprehensive income

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Investment Portfolio - Listed Securities	22,383,493	25,904,812

Note 9. Other assets

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Prepayments	141,968	475,581
Security deposits	21,720	15,670
	163,688	491,251
Non-current assets		
Security deposits	308,751	799,003
	472,439	1,290,254

Note 10. Property, Plant and Equipment

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Land and buildings - at cost	9,449,720	5,052,917
Less: Accumulated depreciation	(1,303,105)	(1,234,718)
	8,146,615	3,818,199
Freehold improvements - at cost	23,541,101	23,541,101
Less: Accumulated depreciation	(9,019,667)	(7,301,007)
	14,521,434	16,240,094
Fixtures, Plant and Equipment- at cost	2,734,780	2,017,229
Less: Accumulated depreciation	(1,529,408)	(908,918)
	1,205,372	1,108,311
Motor vehicles - at cost	32,923	32,923
Less: Accumulated depreciation	(13,152)	(8,684)
	19,771	24,239
Asset Work in Progress	1,986,909	4,229,029
	25,880,101	25,419,872

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 /Developments $	Fixtures, Plant and Equipment $	Motor Vehicles $	Asset Work in Progress $	Total $
Balance at 1 July 2021	3,818,199	16,240,094	1,108,311	24,239	4,229,029	25,419,872
Additions	-	-	115,957	-	2,827,111	2,943,068
Disposals	(20,425)	-	-	-	-	(20,425)
Transfers in/(out)	4,467,636	-	601,595	-	(5,069,231)	-
Depreciation expense	(118,795)	(1,718,660)	(620,491)	(4,468)	-	(2,462,414)
Balance at 30 June 2022	8,146,615	14,521,434	1,205,372	19,771	1,986,909	25,880,101

Note 11. Externally Funded Property, Plant and Equipment

	Consolidated 2022 $	**Consolidated 2021 $**
Non-current assets		
Freehold Property - at cost	664,974	664,974
Less: Accumulated depreciation	(431,425)	(419,287)
	233,549	245,687

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 2021	58,071	187,616	245,687
Depreciation expense	-	(12,138)	(12,138)
Balance at 30 June 2022	58,071	175,478	233,549

Note 12. Right-of-use assets

	Consolidated 2022 $	2021 $
Non-current assets		
Land and buildings - right-of-use	18,286,335	14,669,341
Less: Accumulated depreciation	(5,197,661)	(3,286,304)
	13,088,674	11,383,037
Motor vehicles - right-of-use	2,578,634	2,053,786
Less: Accumulated depreciation	(1,552,606)	(953,150)
	1,026,028	1,100,636
Office equipment - right-of-use	180,223	180,223
Less: Accumulated depreciation	(180,223)	(142,092)
	-	38,131
	14,114,702	12,521,804

Additions to the right-of-use assets during the year were $3,875,844 and depreciation charged to profit or loss was $2,591,998.

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 plant and equipment 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 $	Office Equipment $	Total $
Balance at 1 July 2021	11,383,037	1,100,636	38,131	12,521,804
Additions	3,276,324	599,520	-	3,875,844
Disposals	-	(31,617)	-	(31,617)
Lease modifications	340,669	-	-	340,669
Depreciation expense	(1,911,358)	(642,509)	(38,131)	(2,591,998)
Balance at 30 June 2022	13,088,672	1,026,030	-	14,114,702

Note 13. Intangibles

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Computer Software - at cost	7,890,508	4,950,508
Less: Accumulated amortisation	(3,152,454)	(2,283,054)
	4,738,054	2,667,454
Intangibles - Work in Progress	1,610,427	3,087,640
	6,348,481	5,755,094

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 2021	2,667,454	3,087,640	5,755,094
Additions	-	1,462,787	1,462,787
Transfers in/(out)	2,940,000	(2,940,000)	-
Amortisation expense	(869,400)	-	(869,400)
Balance at 30 June 2022	4,738,054	1,610,427	6,348,481

Note 14. Trade and Other payables

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Trade Payables	1,332,713	2,799,123
Sundry Creditors	5,310,629	5,188,807
	6,643,342	7,987,930

Note 15. Contract liabilities

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Contract liabilities	4,935,150	3,945,730

Note 16. Borrowings

	Consolidated 2022 $	Consolidated 2021 $
Non-current liabilities		
Bank loans	-	3,500,000
Investor loans - Tranche A	1,500,000	1,500,000
Investor loans - Tranche B	2,000,000	1,750,000
	3,500,000	6,750,000

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.

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

	Consolidated 2022 $	Consolidated 2021 $
Total facilities		
Bank loans	7,000,000	7,000,000
Investor loans	3,500,000	3,500,000
	10,500,000	10,500,000
Used at the reporting date		
Bank loans	-	3,500,000
Investor loans	3,500,000	3,250,000
	3,500,000	6,750,000
Unused at the reporting date		
Bank loans	7,000,000	3,500,000
Investor loans	-	250,000
	7,000,000	3,750,000

Future lease payments
Future lease payments are due as follows:

	Consolidated 2022 $	Consolidated 2021 $
Within one year	-	1,160,000
One to five years	3,500,000	5,590,000
	3,500,000	6,750,000

Note 17. Employee Benefits

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Provisions for Annual Leave	3,770,979	3,922,356
Provisions for Long Service Leave	1,593,710	1,671,879
Provisions for R.D.O	6,008	14,808
Restructuring	19,232	345,455
	5,389,929	5,954,498
Non-current liabilities		
Provisions for Long Service Leave	779,773	871,285
	6,169,702	6,825,783

Note 18. Lease liabilities

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Lease liability	2,276,554	2,036,035
Non-current liabilities		
Lease liability	13,739,989	11,899,059
	16,016,543	13,935,094
Future lease payments		
Future lease payments are due as follows:		
Within one year	3,111,213	2,723,678
One to five years	12,526,285	10,251,343
More than five years	3,534,597	4,289,651
Less future finance charges	(3,155,552)	(3,329,578)
	16,016,543	13,935,094

Note 19. Other Current Liabilities

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Trust Fund Liability	246,352	177,610
Refund liability	839,570	1,825,063
	1,085,922	2,002,673
Non-current liabilities		
Capital Grants Liability	233,549	245,687
	1,319,471	2,248,360

Note 20. Reserves

	Consolidated	
	2022	2021
	$	$
Financial assets at fair value through other comprehensive income reserve	716,156	3,386,830
Property maintenance reserve	526,813	610,262
	1,242,969	3,997,092

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	
	2022	2021
	$	$
Total Compensation	1,845,537	2,041,240

Note 22. Contingent asset and liabilities

The consolidated entity has given bank guarantees as at 30 June 2022 of $799,003 (30 June 2021 $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 2022 and 30 June 2021.

Note 23. Commitments For Expenditure

The consolidated entity had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

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 (2021, Nil)

Note 25. Auditors Remuneration

	Consolidated 2022 $	2021 $
Amounts received or due and receivable by external auditors for:		
Auditing Accounts	79,500	75,000
Other audit services- acquittals	-	3,700
	79,500	78,700

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 2022 $	2021 $
Surplus	2,000,460	5,620,222
Total comprehensive income	2,000,460	5,620,222

Statement of financial position

	Parent 2022 $	2021 $
Total current assets	30,398,930	35,480,117
Total assets	65,623,184	74,768,146
Total current liabilities	14,354,220	18,382,372
Total liabilities	23,515,442	32,051,355
Equity		
Financial assets at fair value through other comprehensive income reserve	567,488	3,176,996
Property maintenance reserve	526,814	610,262
Retained surpluses	41,013,440	38,929,533
Total equity	42,107,742	42,716,791

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 2022 %	2021 %
Hester Hornbrook Academy	Melbourne	100.00%	100.00%
Dr John Singleton Trust	Melbourne	100.00%	100.00%
Living Learning	Melbourne	100.00%	100.00%
MCM Housing	Melbourne	100.00%	100.00%

Note 28. Events after the reporting period

Melbourne City Mission and Able Australia entered an Agreement of Sale of the Supported Independent Living Services. The form of sale is via a transfer of Melbourne City Mission staff, clients and all third party contracts to Able Australia. The sale concluded on 11 July 2022 at which point all staff and third party agreements have transferred to Able Australia.

No other matter or circumstance has arisen since 30 June 2022 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
Directors' declaration
30 June 2022

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 2022 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 Jeffreys
Director

26 October 2022

William Buck
ACCOUNTANTS & ADVISORS

Melbourne City Mission
Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial report of Melbourne City Mission. (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Melbourne City Mission has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

b. complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our independent auditor's report.

WilliamBuck
ACCOUNTANTS & ADVISORS

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

C. L. Sweeney
Director
Melbourne, 18th October 2022