MARIST YOUTH CARE LIMITED (Trading as Marist180)
(A Company Limited by Guarantee)
ABN 70 066 591 811

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

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DIRECTORS' REPORT

The Directors present their report together with the annual financial report of Marist Youth Care Limited ("the company") for the year ended 30 June 2018.

Directors

The names of the directors in office at the date of this report are:

Director	Date Appointed	Date Resigned	Particulars
Brother Anthony Robinson	3 Feb 2011		Marist Brother
Brian Pickup	9 July 2013		Chartered Accountant
Brother Mark Paul	5 Dec 2013	13 Feb 2018	Marist Brother
John Cameron	5 June 2014		Accountant
Claire Bibby	2 Oct 2014		Senior Vice President-Legal
Dr Lesley Newton	5 Feb 2015		Health Researcher
Prof. John Warhurst	5 Feb 2015		Emeritus Professor
Evelyn Picot	2 July 2015		Management
Dr Frank Malloy	1 June 2017		Management
Brother Michael Callinan	13 Feb 2018		Marist Brother

Changes in Directors

Brother Mark Paul resigned from the Board effective 13 February 2018. Brother Michael Callinan was appointed a director from 13 February 2018.

Company Secretary

Bala Benjamin resigned as Company Secretary on 23 October 2017. Jessica Eve Stone-Herbert was appointed Company Secretary on 23 October 2017.

Chief Executive Officer (CEO)

The Interim Chief Executive, Christopher Gandy, was appointed CEO effective 7 December 2017. Subsequent to 30 June 2018, Christopher Gandy resigned as CEO effective 31 August 2018.

Results

The deficit for the year ended 30 June 2018 was $ 913,885 (2017: a surplus of $4,110,799). The results are stated after transfers to reserves. The company is exempt from income tax under Sub Division of the *Income Tax Assessment Act 1997*.

Changes in State of Affairs

During the financial year, there was no significant change in the state of affairs of the company.

Environmental Regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors' Benefits

No director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the company or a related body corporate with the director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

Objectives

Short Term
Our programs and services have been carefully developed with young people and families as the focus for everything we do. Dedicated to caring and supporting youth at risk, we help address the many complex issues and challenges faced by young people and their families and find pathways for their future.

Long Term
Marist Youth Care is a not-for-profit organisation focused on helping young people at risk and families. With over 100 years of experience, the long term organisational objective is to continue and develop programs and services that give young people and families the support and skills they need to take their rightful place in the community.

Strategy for Achieving the Objectives
These objectives are achieved through careful planning and sound management of programs. They include budgets and key performance indicators (KPIs). Performances are monitored against budgets and KPIs regularly.

A Strategic Plan is developed every three years and forms the basis of the Annual Business Plans. In developing these plans the Management Team consults relevant stake holders and takes into account the needs of the clients. The Strategic Plan is reviewed and approved by the Board of Directors.

Performance Measurement and Key Performance Indicators (KPIs)
A number of KPIs are used to measure the performance of the business. The Board of Directors receive monthly reports on program performances and finances.

Principal Activities
The principal activity of the company continues to be the provision of residential care and community services to disadvantaged young people, families, and unaccompanied humanitarian minors.

Insurance of Officers and Directors
During the financial year, the company paid a premium to insure certain officers of the company. The officers of the company covered include the Directors, Secretary, the CEO and Employees. The liabilities covered include costs incurred in defending civil or criminal proceedings that may be brought against officers in their capacity as officers of the company. Disclosure of the amount of the premium and nature of the cover is prohibited under the policy.

Except for the above, the company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

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DIRECTORS' REPORT (Continued)

Meetings of Directors

	Full meeting of Directors	
Number of Meetings held	5	
Name of Director	**Meetings held whilst Director**	**Meetings Attended**
Brother Anthony Robinson	5	5
Brian Pickup	5	4
Brother Mark Paul	3	2
John Cameron	5	5
Claire Bibby	5	4
Dr Lesley Newton	5	5
Professor John Warhurst	5	4
Evelyn Picot	5	4
Dr Frank Malloy	5	4
Brother Michael Callinan	2	2

Matters Subsequent to Reporting Period
Other than the following, the directors are not aware of any significant events since the end of the reporting period.

Mr Chris Gandy resigned as Chief Executive with effect from 31 August 2018. Jessica Stone-Herbert was appointed Interim Chief Executive from that date.

The company has exchanged contracts to acquire a property at 3 Connolly's Close Clifton Grove. Settlement is planned for the 24 October 2018 at which time the company will pay $785,000 plus or minus net settlement adjustments.

The contract which Marist Youth Care had for the care with the Department of Home Affairs wound down during early 2018 and was terminated on 30 June 2018.

Marist Youth Care won a significant contract from the NSW Department of Family and Community Services to provide Intensive Therapeutic treatment for children and young people in situations where permanency support is required. The new contract spans the 2018/19 year until the 2020/21 year. The contract also requires Marist Youth Care to expand into Orange, Newcastle and Wollongong as well as maintain its presence in Western Sydney.

Capital Commitments
Capital commitments as at 30 June 2018 were $Nil ($Nil as at 30 June 2017).

Lead Auditors' Independence Declaration
The Lead Auditors' Independence Declaration is set out on the following page and forms part of the Directors' Report for the financial year ended 30 June 2018.

Signed in accordance with a resolution of the directors:

John Cameron
Director

Brian Pickup
Director

Dated at Blacktown: 18 October 2018

VJR
V·J·RYAN
& CO
CHARTERED ACCOUNTANTS
A.B.N. 55 704 784 107

The Board of Directors
Marist Youth Care Limited
36 First Avenue
BLACKTOWN NSW 2148

Dear Board Members

Lead Auditors' Independence Declaration

In relation to our audit of the financial report of Marist Youth Care Limited for the year ended 30 June 2018, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* or any applicable code of professional conduct.

V J RYAN & CO
Chartered Accountants

Level 5
255 George Street
Sydney NSW 2000

James P Ryan
Partner

Dated at Sydney: 23.10.18

Liability limited by a scheme approved under Professional Standards Legislation

MARIST YOUTH CARE LIMITED (Trading as Marist180)
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
REVENUE			
Government Grants and Subsidies		20,168,527	20,366,279
Other Income		18,789,445	24,366,686
Total Revenue	**3**	**38,957,972**	**44,732,965**
EXPENDITURE			
Financial Expenses	**4 (a)**	(19,086)	(14,954)
Employment Expenses	**4 (b)**	(29,767,143)	(28,948,183)
Program Expenses		(2,683,843)	(3,033,417)
Travel and Transport Expenses		(850,551)	(892,627)
Property Expenses		(3,159,201)	(2,922,114)
Depreciation		(476,308)	(966,055)
Other Expenses		(2,915,725)	(3,844,816)
Total Expenditure		**(39,871,857)**	**(40,622,166)**
(Deficit)/ Surplus before Income Tax Expense		**(913,885)**	**4,110,799**
Income Tax Expense	**2 (d)**	-	-
(Deficit)/ Surplus after Income Tax Expense		**(913,885)**	**4,110,799**
OTHER COMPREHENSIVE INCOME			
Increase in Financial Asset Revaluation Reserve		14,031	-
Increase in Revaluation Reserve		-	2,640,893
Decrease in Projects Reserve		(19,442)	-
TOTAL PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**(919,296)**	**6,751,692**

The Statement of Profit or Loss and other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

MARIST YOUTH CARE LIMITED (Trading as Marist180)
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash and Cash Equivalents	6	22,444,826	21,625,854
Trade and Other Receivables	7	3,296,244	4,343,088
Other Assets	8	56,244	383,835
TOTAL CURRENT ASSETS		25,797,314	26,352,777
NON-CURRENT ASSETS			
Other Assets	8	65,453	65,453
Financial Assets	9	445,173	129,215
Property, Plant and Equipment	10	21,556,736	21,765,222
TOTAL NON-CURRENT ASSETS		22,067,362	21,959,890
TOTAL ASSETS		47,864,676	48,312,667
CURRENT LIABILITIES			
Trade and Other Payables	11	2,061,680	2,176,090
Employee Benefits	12	1,481,016	1,859,620
Other Liabilities	13	2,833,379	1,877,221
TOTAL CURRENT LIABILITIES		6,376,075	5,912,931
NON-CURRENT LIABILITIES			
Employee Benefits	12	331,595	323,434
TOTAL NON-CURRENT LIABILITIES		331,595	323,434
TOTAL LIABILITIES		6,707,670	6,236,365
NET ASSETS		**41,157,006**	**42,076,302**
EQUITY			
Members' Funds	14	-	-
Reserves	15	34,425,230	34,430,641
Retained Earnings		6,731,776	7,645,661
TOTAL EQUITY		**41,157,006**	**42,076,302**

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

MARIST YOUTH CARE LIMITED (Trading as Marist180)
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $	2017 $
Cash Flows from Operating Activities:			
Receipts from Grants and Subsidies		40,421,960	42,235,130
Payments to Suppliers and Employees		(39,451,445)	(39,816,434)
Interest Paid		(19,086)	(14,954)
Interest Received		539,014	562,331
Net Cash Provided by Operating Activities	**21 (a)**	1,490,444	3,966,073
Cash Flows from (used in) Investing Activities:			
Payments for Property, Plant and Equipment		(369,545)	(1,404,115)
Loans made to Family Spirit Limited		(301,927)	-
Net Cash (Used In) Investing Activities		(671,472)	(1,404,115)
Net Increase in Cash Held		**818,972**	**2,561,958**
Cash and Cash Equivalents at beginning of the Period	**6**	21,625,854	19,063,896
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**6**	**22,444,826**	**21,625,854**

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Members' Funds $	Retained Earnings $	Reserves $	Total Equity $
At 1 July 2016	**-**	**3,534,862**	**31,789,748**	**35,324,610**
Total Comprehensive Income for the Period				
Surplus for the Period	-	4,110,799	-	4,110,799
Other Comprehensive Income for the Period				
Increase in Revaluation Reserves	-	-	2,640,893	2,640,893
At 30 June 2017	**-**	**7,645,661**	**34,430,641**	**42,076,302**
Total Comprehensive Income for the Period				
(Deficit) for the Period	-	(913,885)	-	(913,885)
Other Comprehensive Income for the Period				
Increase in Revaluation Reserves	-	-	14,031	14,031
(Decrease) in Projects Reserve	-	-	(19,442)	(19,442)
As at 30 June 2018	**-**	**6,731,776**	**34,425,230**	**41,157,006**

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

1 CORPORATE INFORMATION

The financial statements of Marist Youth Care Limited ("the company") for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on the date of authorisation of the directors' declaration. The company is limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the company are providing residential care to disadvantaged young people including unaccompanied minors (asylum seekers), providing support services to youth and families including asylum seekers, providing skill development training, arranging jobs for trainees and supporting them.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian accounting standards.

The financial statements 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 accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous period.

All amounts are presented in Australian dollars and have been rounded to the nearest dollar.

(b) Statement of Compliance

Marist Youth Care Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in *AASB 1053: Application of Tiers of Australian Accounting Standards.*

(c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the accrued benefits will flow to the company. The following specific recognition criteria also apply before revenue is recognised:

Government and other Grants
The company receives government funding for various programs. Non-reciprocal grant revenue is recognised in profit or loss when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. Any funding received for services, which have not been performed is recorded as 'Deferred Income' (Refer Note 13).

Fees and Charges
Fees and charges are recognised as revenue at the time of invoicing for goods and services provided.

Interest Revenue
Interest revenue is recognised as it accrues.

Donations
Amounts donated can be recognised as revenue only when the company gains control, economic benefits are probable and the amounts can be measured reliably. The company establishes controls to ensure that donations are recorded in the financial records, however at times it is impractical to maintain effective controls over the collection of such revenue prior to its initial entry into the financial records. Therefore, donations are recognised as revenue when they are recorded in the books and records of the company.

Sale of Non-Current Assets
The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal and is included as revenue at the date control of the asset passes to the buyer.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Income Tax

The company is exempt from income tax under Subdivision 50-B of the *Income Tax Assessment Act 1997*.

(e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and at bank together with short term bank deposits with maturities of three months or less.

(f) Fringe Benefits Tax

The company is within the definition of Public Benevolent Institution as defined by Section 78(4) of the *Income Tax Assessment Act 1936*. On this basis, the company is partially exempt from fringe benefits tax under Section 57A (i) of the *Fringe Benefits Tax Assessment Act 1986*.

(g) Trade and Other Receivables

The collectability of debts is assessed at the reporting date and specific provision is made for any doubtful debts.

(h) Financial Instruments

Financial assets are recognised when the entity becomes a party to the contractual provisions to the instrument. Financial assets consist of shares in listed companies and are measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost and independent valuation less accumulated depreciation and any impairment in value. Property, Plant and Equipment contributed at no or nominal cost are recognised at fair value as at the date acquisition.

In periods when the land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

The depreciable amount of all fixed assets including buildings, but excluding freehold land, are depreciated on a straight-line basis over the estimated useful life commencing from the time the asset is ready for use as follows:

Buildings – 5%
Property Improvements – 20%
Leasehold Improvements – 20%
Computer Equipment – 33%
Office furniture and equipment – 20%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

(j) Impairment of Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that the asset may be impaired. A financial asset is considered impaired if the evidence indicates one or more events have had a negative effect on the estimated future cash inflows of that asset. Individually significant financial assets are tested for impairment separately. The remaining financial assets are assessed on a group basis based on credit risk. An impairment loss on an available-for-sale financial asset is calculated by reference to its fair value. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of Non-Financial Assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(l) Trade and Other Payables

Trade creditors and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(m) Employee Entitlements

Provision is made for entitlements accruing to employees in relation to wages, salaries, annual leave, long service leave, any termination payments and other benefits where the company has a present obligation to pay, resulting from employees' services provided up to reporting date.

- **Wages, Salaries and Annual Leave** – Liabilities for employee benefits for wages, salaries and annual leave is expected to be settled within 12 months of year-end. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.
- **Long Service Leave** – The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows resulting from employees' services provided up to reporting date.
- **Superannuation** – Superannuation contributions by the company on a defined basis to an employee superannuation fund are charged as expenses when incurred. The company has no legal obligation to provide benefits to employees on retirement.

(n) Leases

Lease payments under operating leases where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

(o) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the Statement of Financial Position.

(p) Comparatives

The comparative information is for the 12 months ended 30 June 2017. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) New Standards and Interpretations Not Yet Adopted

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the company. The company will consider the impact in future years.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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 company.

Key estimate- Valuation Land and Buildings

For the land and buildings not independently valued in 2018, the directors have reviewed the key assumptions adopted by the valuers in previous years and do not believe there has been a significant change in the assumptions at 30 June 2018. The directors therefore believe the carrying amount of the land and buildings correctly reflects the fair value less costs of disposal at 30 June 2018.

Key judgement- Employee Benefits

As the company expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the directors consider that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

		2018 $	2017 $
3	**REVENUE**		
	Government Grants	20,168,527	18,966,099
	Other Income	1,079,951	675,179
	Interest Received	539,015	562,331
	Donations Received	225,423	753,662
	Fees and Charges	16,374,767	22,557,888
	Other Program Revenue	570,289	1,217,806
		38,957,972	44,732,965
4	**EXPENSES**		
(a)	**Financial Expenses**		
	Bank Charges	15,283	14,954
	Write Offs	3,803	-
		19,086	14,954
(b)	**Employee Benefits Expenses**		
	Wages and Salaries	25,154,102	25,130,332
	Work Cover	662,360	469,887
	Contract Payments	1,886,849	1,283,030
	Superannuation	2,063,832	2,064,934
		29,767,143	28,948,183
(c)	**Lease Payments**		
	Minimum Lease Payments – Operating Leases	1,112,238	2,086,489
5	**AUDITOR'S REMUNERATION**		
	Audit Services		
	V J Ryan & Co for:		
	Audit of the Financial Statements	25,000	25,000
	Other Services	4,000	5,000
		29,000	30,000
6	**CASH AND CASH EQUIVALENTS**		
	Current		
	Cash on Hand	24,763	30,865
	Cash at Bank	177,661	438,857
	Term Deposits-Short Term	22,242,402	21,156,132
		22,444,826	21,625,854

	2018 $	2017 $
7 TRADE AND OTHER RECEIVABLES		
Current		
Trade Debtors	3,154,198	3,924,126
Workers Compensation Claims	22,335	15,959
Interest Receivable	74,100	44,946
Staff Advances	144	2,902
Other Receivables	45,467	355,155
	3,296,244	4,343,088
8 OTHER ASSETS		
Current		
Prepayments	56,244	383,835
Non-Current		
Fundraising Stock (Wine) – At Cost	65,453	65,453
9 FINANCIAL ASSETS		
Non-Current		
Shares in Listed Companies – At Market Value	143,246	129,215
Loans to Family Spirit Limited	301,927	-
Carrying Amount at End of Year	445,173	129,215
Movement in Available-for-sale financial assets		
Balance at the beginning of the year		
Purchases	129,215	-
Disposals	-	-
Fair value remeasurement gains / (losses)	14,031	-
Balance at year end	143,246	

10 PROPERTY, PLANT & EQUIPMENT

	2018 $	2017 $
Non-Current		
Land & Buildings – At Cost and Independent Valuation	22,221,205	22,011,376
Accumulated Depreciation	(1,043,568)	(768,071)
Carrying Amount at End of Year	21,177,637	21,243,305
Property Improvements – At Cost	25,860	477,670
Accumulated Depreciation	(3,289)	(477,670)
Carrying Amount at End of Year	22,571	-
Leasehold Improvements – At Cost	-	451,947
Accumulated Depreciation	-	(364,541)
Carrying Amount at End of Year	-	87,406
Computer Equipment – At Cost	201,610	1,249,578
Accumulated Depreciation	(114,125)	(1,145,487)
Carrying Amount at End of Year	87,485	104,091
Office Furniture and Equipment – At Cost	695,028	2,006,995
Accumulated Depreciation	(443,706)	(1,676,575)
Carrying Amount at End of Year	251,322	330,420
Plant & Equipment – At Cost	20,250	-
Accumulated Depreciation	(2,529)	-
Carrying Amount at End of Year	17,721	-
Total Property, Plant & Equipment	21,556,736	21,765,222

	2018 $	2017 $
10 PROPERTY, PLANT & EQUIPMENT (Continued)		
MOVEMENTS		
Buildings – At Cost and Independent Valuation		
Carrying Amount at the Beginning of the Year	21,243,305	17,408,604
Additions	209,829	1,662,995
Surplus on Revaluation	-	2,640,893
Depreciation	(275,497)	(469,187)
Carrying Amount at the End of the Year	21,177,637	21,243,305
Property Improvements – At Cost		
Carrying Amount at the Beginning of the Year	-	50,692
Additions	25,860	116,449
Depreciation	(3,289)	(167,141)
Carrying Amount at the End of the Year	22,571	-
Leasehold Improvements- At Cost		
Carrying Amount at the Beginning of the Year	87,406	117,994
Additions	-	27,659
Written Off	(58,656)	
Depreciation	(28,750)	(58,247)
Carrying Amount at the End of the Year	-	87,406
Computer Equipment – At Cost		
Carrying Amount at the Beginning of the Year	104,091	48,385
Additions	46,220	132,594
Written Off	(11,422)	-
Depreciation	(51,404)	(76,888)
Carrying Amount at the End of the Year	87,485	104,091
Office Furniture and Equipment – At Cost		
Carrying Amount at the Beginning of the Year	330,420	335,594
Additions	67,384	189,412
Written Off	(31,643)	-
Depreciation	(114,839)	(194,586)
Carrying Amount at the End of the Year	251,322	330,420
Plant and Equipment – At Cost		
Carrying Amount at the Beginning of the Year	-	-
Additions	20,250	-
Depreciation	(2,529)	-
Carrying Amount at the End of the Year	17,721	-
Total Property, Plant & Equipment	21,556,736	21,765,222

	2018 $	2017 $

11 TRADE AND OTHER PAYABLES

	2018 $	2017 $
Current		
Trade Creditors & Accruals	1,609,222	1,753,492
GST Payable	255,840	186,869
Superannuation	196,618	235,729
	2,061,680	2,176,090

12 EMPLOYEE BENEFITS

	2018 $	2017 $
Current		
Provision for Annual Leave	1,094,491	1,409,670
Provision for Long Service Leave	386,525	449,950
	1,481,016	1,859,620
Non-Current		
Provision for Long Service Leave	331,595	323,434
	331,595	323,434
Analysis of Total Provisions		
Opening balance	2,183,054	2,104,710
Additional provision raised	1,984,046	1,707,596
Amount used	(2,354,489)	(1,629,252)
	1,812,611	2,183,054

13 OTHER LIABILITIES

	2018 $	2017 $
Current		
Deferred income	2,360,452	1,404,294
Development Fund-Marist Province	472,927	472,927
	2,833,379	1,877,221

The deferred income is recognised in accordance with the accounting policy in Note 2 (c).

14 MEMBERS' FUNDS

The company is limited by guarantee and has no share capital.

15 RESERVES

	2018 $	2017 $
Capital Acquisition Reserve	7,887,127	7,887,127
Contributions from Divisions	658,775	658,775
Education Scholarship Reserve	132,386	-
Financial Asset Revaluation Reserve	14,031	-
General Reserve	14,849,536	14,849,536
Projects Reserve	422,981	574,809
Property Development Reserve	308,855	308,855
Prudential Reserve	1,510,330	1,510,330
Revaluation Reserve	8,641,209	8,641,209
	34,425,230	34,430,641

	2018 $	2017 $

16 OPERATING LEASE COMMITMENTS

Operating Lease Commitments	2018 $	2017 $
Not later than one year	130,744	649,394
Later than one year and not later than five years	56,518	462,844
Later than five years	-	-
	187,262	1,112,238

The operating leases are in relation to the company's motor vehicle fleet, office equipment and leasehold properties.

17 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel
The key management personnel include the directors as disclosed in the Directors' Report together with the Chief Executive Officer, Christopher Gandy.

The key management personnel compensation included in employee costs was:

	2018 $	2017 $
Short-Term Employee Benefits	372,821	347,518

Key Management Personnel Related Parties
Until 31 December 2017, Mr Gandy was paid for his services as interim CEO through his company Brackenlea Holdings Pty Ltd. In the year to 30 June 2018 Brackenlea Holdings Pty Ltd was paid $178,020 plus GST.

18 OTHER RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Family Spirit Limited
During the year the company advanced two interest only loans to Family Spirit Limited totalling $301,926 for a term of 10 years with a fixed interest rate of 6%. The company and Catholic Care Sydney Limited are equal founding members of Family Spirit Limited.

19 SEGMENT REPORTING

The nature of the operations and principal activities of the company is the provision of community services to disadvantaged young people, families, asylum seekers and others. The company's activities are mainly within the Sydney region in the State of New South Wales, Australian Capital Territory and Queensland.

20 EVENTS AFTER THE REPORTING PERIOD

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

Mr Chris Gandy resigned as Chief Executive with effect from 30 August 2018. Jessica Stone-Herbert was appointed Acting Chief Executive from that date.

The company has exchanged contracts to acquire a property at 3 Connolly's Close Clifton Grove. Settlement is planned for the 24 October 2018 at which time the company will pay $785,000 plus or minus net settlement adjustments.

	2018 $	2017 $
21 CASH FLOW INFORMATION		
(a) Reconciliation of Net Cash provided by Operating Activities to Surplus after Income Tax		
(Deficit) / Surplus after Income Tax	(913,885)	4,110,799
Non Cash Flows and Non-Operating Items in Operating Profit:		
Depreciation	476,308	966,055
Write off of fixed assets made redundant	101,721	-
Property donated by the Trustees of the Marist Brothers	-	(725,000)
Changes in Assets & Liabilities:		
Decrease in Trade and other Receivables	1,046,845	362,499
(Increase)/ Decrease in Other Assets	327,592	(133,674)
(Increase)/ Decrease in Financial Asset	-	(15,216)
(Decrease)/ Increase in Trade and Other Payables	(114,410)	(119,946)
(Decrease)/ Increase in Other Liabilities	956,158	(557,787)
Increase/(Decrease) in Projects Reserve	(19,442)	-
Increase/ (Decrease) in Employee benefits	(370,443)	78,343
Net Cash Provided by Operating Activities	1,490,444	3,966,073

DIRECTORS' DECLARATION

In the opinion of the directors of Marist Youth Care Limited ("the company"):

(a) the financial statements and notes set out on pages 5 to 19 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including;

(i) giving a true and fair view the company's financial position as at 30 June 2018 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date, and

(ii) complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

(b) there are reasonable grounds to believe that the company can meet its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors:

John Cameron
Director

Brian Pickup
Director

Dated at Blacktown: 18 October 2018

VJR

V·J·RYAN
& CO
CHARTERED ACCOUNTANTS
A.B.N. 55 704 784 107

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MARIST YOUTH CARE LIMITED
ABN 70 066 591 811

FOR THE YEAR ENDED 30 JUNE 2018

Opinion
We have audited the special financial report of Marist Youth Care Limited ("the company"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Marist Youth Care Limited has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2 and 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 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.

Information Other than the Financial Report and Auditor's Report Thereon
The directors are responsible for the other information. The other information comprises the information included in the company's Directors' Report for the year ended 30 June 2018, 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- Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012* 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 company'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 company or to cease operations, or have 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 Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

V J RYAN & CO
Chartered Accountants

Level 5
255 George Street
SYDNEY NSW 2000

James Ryan
Partner

Dated at Sydney: 23.10.18

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