UnitingCare

Prahran Mission

Financial Statements

For the Year Ended 30 June 2011

Prahran Mission

For the Year Ended 30 June 2011
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Prahran Mission

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	2011 $	2010 $
Revenue	2	**8,702,015**	7,234,554
Other income	2(a)	**558,426**	477,105
Employee benefits expense		**(6,175,310)**	(4,924,223)
Depreciation, amortisation and impairments		**(576,928)**	(280,350)
Program operation costs	3	**(1,694,705)**	(1,380,629)
Repairs and maintenance		**(278,477)**	(209,675)
Other expenses		**(470,343)**	(840,972)
Surplus from operating activities		**64,678**	75,810
Capital fundraising related income		**2,008,493**	4,536,644
Capital fundraising related expenses		**(353,198)**	(420,662)
Surplus for the year		**1,719,973**	4,191,792
Other comprehensive income:			
Net gain/(loss) on revaluation of financial assets		**183,654**	5,568
Other comprehensive income for the year		**183,654**	5,568
Total comprehensive income for the year		**1,903,627**	4,197,360

The accompanying notes form part of these financial statements.

Prahran Mission

Statement of Financial Position

As at 30 June 2011

	Note	2011 $	2010 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**446,117**	1,337,162
Trade and other receivables	6	**182,920**	744,054
Inventories	7	**12,836**	9,381
Financial assets	10	**1,702,795**	3,753,417
Other assets	8	**69,446**	67,563
Total current assets		**2,414,114**	5,911,577
Non-current assets			
Financial assets	10	**2,399,337**	1,965,687
Property, plant and equipment	9	**13,132,762**	9,904,069
Total non-current assets		**15,532,099**	11,869,756
TOTAL ASSETS		**17,946,213**	17,781,333
LIABILITIES			
Current liabilities			
Trade and other payables	11	**1,004,726**	1,527,321
Short-term provisions	12	**217,594**	167,273
Other Liabilities	13	**657,071**	1,850,981
Total current liabilities		**1,879,391**	3,545,575
Non-current liabilities			
Other long-term provisions	12	**32,799**	105,362
Total non-current liabilities		**32,799**	105,362
TOTAL LIABILITIES		**1,912,190**	3,650,937
NET ASSETS		**16,034,023**	14,130,396
EQUITY			
Reserves		**2,499,719**	2,316,065
Retained earnings		**13,534,304**	11,814,331
TOTAL EQUITY		**16,034,023**	14,130,396

The accompanying notes form part of these financial statements.

Prahran Mission

Statement of Changes in Equity

For the Year Ended 30 June 2011

	Retained Earnings	Asset Revaluation Surplus	Financial Assets Reserve	Total
	$	$	$	$
Balance at 1 July 2010	**11,814,331**	**2,700,365**	**(384,300)**	**14,130,396**
Surplus attributable to members	**1,719,973**	-	-	**1,719,973**
Other comprehensive income	-	-	**183,654**	**183,654**
Sub-total	**1,719,973**	-	**183,654**	**1,903,627**
Balance at 30 June 2011	**13,534,304**	**2,700,365**	**(200,646)**	**16,034,023**

	Retained Earnings	Asset Revaluation Surplus	Financial Assets Reserve	Total
	$	$	$	$
Balance at 1 July 2009	7,622,539	2,700,365	(389,868)	9,933,036
Surplus attributable to members	4,191,792	-	-	4,191,792
Other comprehensive income	-	-	5,568	5,568
Sub-total	4,191,792	-	5,568	4,197,360
Balance at 30 June 2010	11,814,331	2,700,365	(384,300)	14,130,396

The accompanying notes form part of these financial statements.

Prahran Mission

Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 $	2010 $
Cash from operating activities:			
Receipts from government, fees, donations and other revenue		**11,002,316**	10,329,361
Payments to suppliers and employees		**(10,078,165)**	(7,198,807)
Interest received		**19,727**	27,046
Net cash provided by (used in) operating activities	18(a)	**943,878**	3,157,600
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		**104,162**	-
Proceeds from sale of investment		**2,030,292**	2,579,555
Purchase of property, plant and equipment		**(3,969,377)**	(4,379,322)
Purchase of investments		**-**	(600,000)
Net cash provided by (used in) investing activities		**(1,834,923)**	(2,399,767)
Net increase (decreases) in cash held		**(891,045)**	757,833
Cash at beginning of financial year		**1,337,162**	579,329
Cash at end of financial year	5	**446,117**	1,337,162

The accompanying notes form part of these financial statements.

1 Summary of Significant Accounting Policies

The financial report covers Prahran Mission (the Mission) as an individual entity. The Mission, which is domiciled in Australia, is an agency of the Uniting Church in Australia and is not separately incorporated.

The following is a summary of the material accounting policies adopted by the Mission in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparatives

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

(c) Inventories

Inventories are measured at cost adjusted when applicable for loss of service potential.

Inventories received at no or nominal cost are initially recognised at current replacement cost at date of acquisition.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost.

The carrying value is reviewed periodically to ensure the carrying value does not exceed the depreciated replacement cost.

1 Summary of Significant Accounting Policies continued

(d) Property, plant and equipment continued

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Mission commencing from the time the asset is held ready for use. Leasehold properties are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Buildings	up to 40 years
Furniture, Fixtures and Fittings	up to 5 years
Motor Vehicles	up to 5 years
Leasehold properties	up to 30 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(e) Cash and cash equivalents

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

(f) Employee benefits

Provision is made for the Mission's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(g) Income taxes

The Mission is an income tax exempt charitable entity under Subdivision 50-B of the Income Tax Assessment Act 1997.

(h) Revenue

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

1 Summary of Significant Accounting Policies continued

(h) Revenue continued

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to the grant revenue relating to the use of those grants for specific purposes it is recognised in the statement of financial position as a liability until such conditions are met.

Interest revenue and distribution income from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, in which case they are carried forward as deferred income.

Revenue from the rendering of services is recognised upon the delivery of the service to the customer.

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

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

1 Summary of Significant Accounting Policies continued

(j) Financial Instruments continued

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

(d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The the Mission does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost .

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the the Mission's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months are the end of the reporting period. (All other investments are classified

1 **Summary of Significant Accounting Policies continued**

(j) **Financial Instruments continued**
as current assets.)

If during the period the the Mission sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets)

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(vi) Net assets attributable to unitholders

Units are redeemable at the option of the unitholder and are therefore classified as financial liabilities. Redemption of units obligates the the Mission to deliver cash to the unitholder based on the fair value of the units at the date of redemption. The liability at balance date is measured at fair value with changes recognised through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the the Mission's intention to hold these investments to maturity. Any held-to-maturity investments held by the the Mission are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

1 Summary of Significant Accounting Policies continued

(j) Financial Instruments continued

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(k) Impairment of assets

Assets are tested for recoverability whenever events of changes in circumstances indicate that its carrying value may not be fully recoverable.

The Mission monitors the recoverability of assets, based on factors such as current market value, future asset utilisation, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Mission's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset. To 30 June 2011, no impairment losses have been recorded.

(l) Critical accounting estimates and judgments

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

(m) Economic Dependence

Prahran Mission is dependent on the Department of Health for a significant proportion of its revenue used to operate the Mission. At the date of this report the Board has no reason to believe the Department of Health will not continue to support Prahran Mission.

Prahran Mission

Notes to the Financial Statements

For the Year Ended 30 June 2011

		2011	2010
		$	$
2	**Revenue**		
	- Sale of goods	**704,799**	335,657
	- Services revenue	**705,112**	437,820
	- Uniting Church contributions	**24,523**	21,183
	- Operating grants	**6,513,309**	5,361,906
	- Donations	**754,272**	1,077,988
	Total Revenue	**8,702,015**	7,234,554
	(a) Other Income		
	- Interest income	**243,914**	253,955
	- Other income	**314,512**	223,150
	Other Income	**558,426**	477,105
3	**Expenses**		
	Bad debts	**911**	372
	Provision for doubtful debts	**15,000**	-
	Cartage	**37,491**	22,118
	Consultants	**188,087**	166,095
	Client related costs and purchases	**686,903**	583,872
	Food supplies	**134,155**	80,332
	Materials	**7,859**	14,944
	Motor vehicle expenses	**128,471**	106,735
	Office and administration	**414,619**	322,628
	Travel	**7,574**	15,007
	Utilities	**39,781**	34,675
	Audit and accounting fees	**27,613**	23,851
	Other	**6,241**	10,000
	Total program operations costs	**1,694,705**	1,380,629
	Depreciation - property, plant and equipment	**576,928**	280,350
	Depreciation - capital fund-raising	**89,430**	89,430
	Total Depreciation and Amortisation	**666,358**	369,780
	Write-off of assets	**-**	609,400
	Rental expense on operating leases	**334,732**	115,541
	Auditing or reviewing the financial report	**17,000**	16,500

	2011	2010
	$	$

4 Key Management Personnel Compensation

	Short-term benefits	Post employment benefit	Total
	$	$	$
2011			
Total compensation	676,271	60,864	737,135
2010			
Total compensation	759,214	68,329	827,543

5 Cash and cash equivalents

	2011	2010
Cash on hand	**5,860**	4,405
Cash at bank	**440,257**	1,332,757
	446,117	1,337,162

The effective interest rate on cash at bank was 4.8% (2010: 4.5%).

6 Trade and other receivables

	2011	2010
CURRENT		
Trade receivables	**188,115**	724,839
Provision for impairment of receivables	**(15,000)**	-
	173,115	724,839
Other receivables	**9,805**	19,215
	182,920	744,054

Current trade receivables are generally on 30 day terms. It is expected that these balances will be received when due. The balances do not contain any assets that are not impaired and are past due.

7 Inventories

	2011	2010
CURRENT		
At Cost		
Finished goods	**12,836**	9,381

8 Other Assets

	2011	2010
CURRENT		
Prepayments	**69,446**	67,563

	2011 $	2010 $
9 Property, plant and equipment		
LAND AND BUILDINGS		
Freehold land at cost		
211 Chapel St Prahran	**2,350,000**	2,350,000
698-700 Malvern Rd Prahran	**1,000,000**	1,000,000
Total freehold land	**3,350,000**	3,350,000
Capital works in progress		
At cost	**-**	4,009,931
Buildings and improvements at cost		
211 Chapel St Prahran	**8,189,315**	854,884
698-700 Malvern Rd Prahran	**350,000**	350,000
Accumulated depreciation	**(509,425)**	(290,453)
Total buildings	**8,029,890**	914,431
Total land and buildings	**11,379,890**	8,274,362
PLANT AND EQUIPMENT		
Leasehold properties		
At cost	**1,012,569**	1,191,428
Accumulated depreciation	**(256,870)**	(279,137)
Total leasehold properties	**755,699**	912,291
Furniture, fixture and fittings		
At cost	**1,292,648**	903,411
Accumulated depreciation	**(660,102)**	(489,446)
Total furniture, fixture and fittings	**632,546**	413,965
Motor vehicles		
At cost	**664,895**	556,125
Accumulated depreciation	**(300,268)**	(252,673)
Total motor vehicles	**364,627**	303,452
Total plant and equipment	**1,752,872**	1,629,708
Total property, plant and equipment	**13,132,762**	9,904,070

Leasehold properties include buildings in Glen Waverley and Blackburn South on land leased from Monash City Council and the Uniting Church respectively.

(a) Movements in Carrying Amounts

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

9 Property, plant and equipment continued

(a) Movements in Carrying Amounts continued

	Capital Works in Progress	Land	Buildings and Improvements	Leasehold Properties	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	$	$	$	$	$	$	$
Current Year							
Balance at the beginning of year	4,009,931	3,350,000	914,431	912,291	413,965	303,452	9,904,070
Additions	3,324,600	-	-	-	394,323	250,554	3,969,377
Disposals	-	-	-	(4)	-	(74,323)	(74,327)
Transfers	(7,334,431)	-	7,366,510	(22,354)	(9,725)	-	-
Depreciation expense	-	-	(251,051)	(134,234)	(166,017)	(115,056)	(666,358)
Carrying amount at the end of year	-	3,350,000	8,029,890	755,699	632,546	364,627	13,132,762
Prior Year							
Balance at the beginning of year	-	3,350,000	1,589,514	824,381	403,122	336,911	6,503,928
Additions	3,997,061	-	-	214,859	117,239	50,163	4,379,322
Disposals	-	-	(609,400)	-	-	-	(609,400)
Transfers	12,870	-	(12,870)	-	-	-	-
Depreciation expense	-	-	(52,813)	(126,949)	(106,396)	(83,622)	(369,780)
Carrying amount at the end of year	4,009,931	3,350,000	914,431	912,291	413,965	303,452	9,904,070

(b) Beneficial use

The land and buildings recorded on the statement of financial position of Prahran Mission are registered in the name of The Uniting Church in Australia Property Trust (Victoria). Prahran Mission has beneficial use of the properties for the purpose of running Prahran Mission's programs but at the same time, Prahran Mission is responsible for any renovations and maintenance.

		2011 $	2010 $
10 Other financial assets designated at fair value			
Uniting Church Growth Portfolio		**2,399,337**	1,965,687

Available-for-sale financial assets comprise of investments in UCA growth portfolio. There are no fixed returns or fixed maturity date attached to these investments.

		2011 $	2010 $
Available for sale financial assets		**2,399,337**	1,965,687
Held-to-maturity financial assets	10(a)	**1,702,795**	3,753,417
		4,102,132	5,719,104
Current portion		**1,702,795**	3,753,417
(a) Held-to-maturity Investments Comprise:			
Uniting Church cash portfolio - current		**1,702,795**	3,753,417

	2011 $	2010 $
11 Trade and other payables		
CURRENT		
Unsecured liabilities		
Trade payables	**254,984**	1,113,740
Accrued employee entitlements	**458,863**	393,948
Sundry payables and accrued expenses	**290,879**	19,633
	1,004,726	1,527,321
12 Provisions		
Analysis of Total Provisions		
Current - employee benefits	**217,594**	167,273
Non-current - employee benefits	**32,799**	105,362
	250,393	272,635
13 Other Liabilities		
Unexpended grants		
Specific purpose donations, trusts and others	**375,420**	387,466
Specific purpose donations for capital projects	**-**	1,054,895
Department of Human Services	**180,062**	8,141
Department of Families, Housing, Community Services	**101,589**	400,479
Total	**657,071**	1,850,981

	2011	2010
	$	$

13 Other Liabilities continued

Unexpended grants relate to amounts for a specific purpose and are recognised in revenue when the related expenses are incurred.

14 Capital Management

The Board manages cash to ensure that adequate cash flows are generated to fund the operations of the Prahran Mission. Management procedures include estimation of cash flows and future cash requirements.

15 Reserves

(a) Asset Revaluation Reserve

The asset revaluation reserve was used to record increments and decrements in the value of non-current assets. The reserve reflects historical revisions to the carrying value of land and buildings.

(b) Financial Assets Reserve

The financial assets reserve records revaluations of available for sale financial assets.

16 Capital and Leasing Commitments

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2011 $	2010 $
Payable - minimum lease payments		
- not later than 12 months	**173,039**	211,186
- between 12 months and 5 years	**147,512**	213,853
	320,551	425,039

(b) Capital Expenditure Commitments

	2011 $	2010 $
Payable:		
- not later than 12 months	-	1,956,997
	-	1,956,997

As at 30 June 2011 there were no capital commitments. As at 30 June 2010 capital commitments consisted of amounts contracted for the refurbishment of 211 Chapel St Prahran Vic.

17 Related Party Transactions

During the year the Mission paid for insurance to Uniting Church of Australia $44,806 (2010: $9,904) and a Synod levy of $55,921 (2010: $43,322). The Mission received from the Uniting Church of Australia contributions of $24,522 (2010: $21,183).

The amounts invested with UCA Cash Portfolio and UCA Growth Portfolio are disclosed in Note 10.

No remuneration or other benefits were received by members of the Board of Governance with the exception of salary paid to employees who served on the Board in their capacity as an employee of the Mission.

18 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Surplus

	2011 $	2010 $
Surplus for the period	**1,719,973**	4,191,792
Non-cash flows in surplus		
Depreciation	**666,358**	369,780
Net loss/(gain) on disposal of property, plant and equipment	**(29,835)**	609,400
Reinvested interest and distribution revenue	**(229,666)**	(345,290)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	**561,134**	(680,399)
(Increase)/decrease in prepayments	**(1,883)**	(15,883)
(Increase)/decrease in inventories	**(3,455)**	(1,727)
Increase/(decrease) in trade payables and accruals	**(522,596)**	426,906
Increase/(decrease) in unexpended grants	**(1,193,910)**	(1,574,118)
Increase/(decrease) in provisions	**(22,242)**	177,139
	943,878	3,157,600

19 Financial instruments

Prahran Mission's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

A finance committee consisting of senior committee members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The main risks the Mission is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

19 Financial instruments continued

(a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At 30 June 2011 Prahran Mission does not believe it is exposed to any material interest rate risk.

(b) Credit Risk

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Prahran Mission has no significant concentration of credit risk.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial asset maturity analysis

	Within 1 Year		Over 5 Years		Total Contractual Cash Flow	
	2011	2010	2011	2010	2011	2010
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables (excluding estimated annual leave)	545,863	1,133,373	-	-	545,863	1,133,373
Total contractual outflows	545,863	1,133,373	-	-	545,863	1,133,373
Total expected outflows	545,863	1,133,373	-	-	545,863	1,133,373
Financial assets - cash flows realisable						
Cash and cash equivalents	446,117	1,337,162	-	-	446,117	1,337,162
Trade, term and loans receivables	188,115	744,054	-	-	188,115	744,054
Other investments	1,702,795	3,753,417	-	-	1,702,795	3,753,417
Total anticipated inflows	2,337,027	5,834,633	-	-	2,337,027	5,834,633
Net (outflow)/inflow on financial instruments	1,791,164	4,701,260	-	-	1,791,164	4,701,260

20 Mission Details

Registered office
The registered office of the Mission is:
Prahran Mission
211 Chapel St
Prahran VIC 3181

The principal activity of the Mission is the direct relief of poverty and hardship and the provision of support services to people with severe and long term mental illness and subsequent psychiatric disabilities.

21 Members of the Board of Governance

Mr RJ Carter	retired on 9th December 2010
Mr P Prasser	
Mr R Clifton	
Cr T Athanasopoulos	
Mr B Rush	
Dr E Frank	
Ms R Dwosh	retired on 9th December 2010
Mr Q Pawson	
Dr J Gibson	
Mr D Hawkey	
Ms E Lyons	appointed on 1st February 2011

22 Events after the Balance Sheet Date

No events or circumstances have arisen since the end of the year that significantly affected or may effect the operations of the Mission.

Prahran Mission

Statement of the Board of Governance

The Board of Governance of the the Mission declare that:

1. The financial statements and notes, as set out on pages 1 to 19:

   (a) comply with Accounting Standards and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the the Mission.

2. In the Board of Governance's opinion, there are reasonable grounds to believe that the Mission will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Governance.

D Hawkey - Board of Governance

Q Pawson - Executive Director

Dated 12 September 2011

Prahran Mission

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Independent Audit Report to the members of Prahran Mission

Report on the Financial Report

We have audited the accompanying financial report of Prahran Mission, which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended that date a summary of significant accounting policies, other explanatory notes and the statement of the board of governance.

Board of Governance's Responsibility for the Financial Report

The Board of Governance of the Mission are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Mission's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Governance, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the financial report of Prahran Mission:

(a) gives a true and fair view of the Mission's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(b) complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory professional reporting requirements.

Danby Bland Provan & Co

DANBY BLAND PROVAN & CO.
Chartered Accountants

123 Camberwell Road
HAWTHORN EAST 3123

R A LANE
Partner

Date – 12th September 2011