Caring for seafarers
around the world

The Mission to Seafarers, Sydney NSW

ABN 59 000 652 479
Welfare Fund ABN 91 451 928 534

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21/8/2023

Dear Synod

Seafarers can be vulnerable when they are on a vessel away from any scrutiny. The captain is all powerful and the temptation to lower costs by reducing Seafarer costs tempts some companies. The loneliness created by, missing birthdays, weddings, funerals, and distance from loved ones is a heavy burden to bear. The Mission to Seafarers in Sydney enjoys a long history addressing these issues and caring for Seafarers. The Mission to Seafarers in Sydney, began in 1881 and remains connected to the Anglican Church. The world has changed but the need of Seafarers has not and our drive to show Gods love in action continues to drive our actions.

There are many ways to assess the need of Seafarers. Below we cluster these needs under a few headings to share the work in a concise form.

Spiritual & Emotional
We strive to create moments where Seafarers want to know more, want to ask why we do what we do, or ask for prayer and support. One example this year was a young man who's wife had miscarried. He was so far away, he was hurting, he could not support his wife and family and they could not support him. He was having suicidal thoughts. We were able to be with him, listen to him, pray for him, tell him about Christ's love, and support him to get back home. It sounds very simple as I share this, but it is highly complicated as he needed to navigate his company and Australian Border Force and the local agent to make it happen. He really appreciated the prayer and care for all involved.

The Chaplains are proud to support brothers in need like this.

Physical
Seafarers need to escape, what a Captain referred to as "Our Steel Cage", the vessel that they work on. The Mission to Seafarers collects them and brings them to the city where they can see a different world, grass, space, other people. They can breathe. This break away from the vessel allows them to return to work renewed, ready to embrace the next cluster of challenges. Captains have said how they see our generosity in making this happen, fortifies their crew to be ready for the next period at sea.

The physical elements we offer take many forms :-

- transport from the port to the Mission, and back again
- welcoming at the Mission to receive a SIM card to call loved ones,
- holding parcels for crew so they can receive a little treat or a birthday gift to sustain them,
- delivering goods to the vessel when they can not to leave the vessel.
- Visiting Seafarers in hospital when they have no one to care for them in this “far of land”.
- Vaccinating as part of the NSW Health team (during Covid).
- Visiting Seafarers on their vessel when they can not leave their vessel.

All this happens 7 days a week 363 days a year. Rain, hail or shine, seafarers want to escape the vessel and receive Hope & Renewal.

Voice
Occasionally seafarers are underpaid or not paid. They can be denied enough food or water. They struggle to get medical care. They are put at serious physical risk. As part of the port community, The Mission to Seafarers helps to resolve these matters. We are proud that we have helped wages to be paid, conditions and safety to be improved. We are part of a large community, and each comes together to make this happen and Mission to Seafarers is a key link to make it happen.

All our actions are rooted in showing God’s love in action, creating moments to share the gospel, and offering the greatest gift of all, the grace of our Lord Jesus Christ.

Please find attached see our Impact Statement for 2022 and our audited accounts for 2022. Should there be questions, we would be delighted to address them as we are passionate to share this work with others.

Your sincerely

Clayton Strong
Chief Executive Officer

2022 Impact

Welcomed

1600
Seafarers from
67
Nations

Transported

> 1200
Seafarers from to The Mission

Visited

237
Seafarers in Hospitals Vessels & Hotels

Delivered Goods

> $75,000
value to
171
Vessels

Received Parcels

360 +
for Seafarers to collect

Vaccinated

1130
Seafarers from
124
Vessels

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

FINANCIAL STATEMENTS
31 DECEMBER 2022

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THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 December 2022.

Directors

The names of each person who has been a director during the year and to the date of this report are:

P Janssen	Chairman
R Dunn	appointed 26 April 2022 - Honorary Treasurer
J Fyffe	
B A Douglas	
J G Bradley	
J Moffatt	
M Edmonds	
G Bondar	
J Freeman	resigned 26 April 2022

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company during the financial year was the provision of Christian ministry to seafarers visiting the ports of Sydney, NSW.

No significant changes in the nature of the company's activity occurred during the financial year.

Operating Results

The net operating result for the year was a deficit of $31,407 (2021: $86,715 surplus).

The company is not liable for the payment of income tax under the present legislation.

Short-term and Long-term Objectives

The company's short-term objectives are to:

- provide a holistic ministry (spiritual and physical) to seafarers visiting the ports of Sydney, NSW.

The company's long-term objectives are to:

- fulfil the Mission Statement by providing quality services that meet the critical needs of seafarers. The Mission Statement of the company is "to fulfil the spiritual, moral and physical well-being of seafarers and all persons whose callings and occupations are in any way associated with the sea".
- return the seafarer to his vessel in a healthier state of mind than when he left it.

THE MISSION TO SEAFARERS, SYDNEY NSW
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DIRECTORS' REPORT

Strategies

To achieve these objectives, the company has adopted the following strategies:

- It has committed its Principal Chaplain to:
  - be responsible for the Spiritual, moral and physical well-being and motivation of the Station and all those involved with the Station.
  - at all times maintain, in every respect of the work of the mission, to demonstrate the love of God in the delivery of all the services and assistance provided to Seafarers of all races and denominations.
- The Mission Centre provides a place of worship, safety and rest, relaxation and comfort to visiting seafarers.
- The Mission provides free transport for seafarers whereby they can visit the Centre to enjoy time away from their ships and relieve the stress of long periods on board their vessel;
- The Mission provides the means by which seafarers can contact their homes and families at all times and especially in times of need;
- The Mission provides assistance in the relief of pain or suffering due to any unjust action on the part of those who control the lives of seafarers;
- The Mission works for the establishment of justice for all seafarers, regardless of race, creed or status in order to prevent needless suffering;
- The Mission cares for physically ill or psychologically distressed seafarers and visiting them in hospital as the need arises;
- Chaplains visit vessels in port to make contact with crew unable to enjoy shore leave;
- Chaplains visit seafarers who are detained in a custodial institution;
- The Mission provides care for seafarers who find themselves destitute or temporarily without means to care for themselves;
- The Mission provides clothing and other such necessities to seafarers who have been the victims of accidents or calamity;
- The Mission provides welfare and assistance to a seafarer's family and colleagues in the case of death.

Key Performance Measures

Assessed against budget.

Review of Operations

The company's net operating result for the year ended 31 December 2022 was a deficit of $31,407 (2021: surplus of $86,715). The Sydney Bethel Union continues to provide financial assistance to the company. The level of assistance for the financial year ended 31 December 2022 was $366,000. (2021: $366,000).

Dividends Paid or Recommended

The company is limited by guarantee and is therefore precluded from distributing profits by way of dividends.

THE MISSION TO SEAFARERS, SYDNEY NSW
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DIRECTORS' REPORT

Events After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Information on Directors

P Janssen	Chairman
Qualifications:	OAM, FAICD, B.Ec, LLB, MBA
Experience:	Appointed as Chairman 18 November 2020 Appointed to the Board 20 March 2019
J Fyffe	Honorary Treasurer – until 21 June 2022
Qualifications:	B Comm., CA
Experience:	Appointed to the Board 26 March 2000
B A Douglas	
Qualifications:	B.A.; Assoc. Dip. Man; Dip. Maritime Studies; Graduate Cert. of App. Sc.; RAN Clearance Diver Course; RAN Instructors Course.
Experience:	Appointed to the Board 5 December 2012
J G Bradley	
Qualifications:	VRD Master Mariner
Experience	Appointed to the Board 9 April 2014
J Freeman	
Qualifications:	B.Eng(Bioprocess,Hons.), M.App. Fin., Grad.Dip.App.Corp.Governance
Experience:	Appointed to the Board 13 April 2016
J Moffatt	
Qualifications:	B.A. BTH(Honours)
Experience:	Appointed to the Board 13 April 2016

THE MISSION TO SEAFARERS, SYDNEY NSW
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DIRECTORS' REPORT

Information on Directors (cont'd)

M Edmonds	
Qualifications:	M.Sc, B.A
Experience:	Appointed to the Board 18 November 2020

G Bondar	
Qualifications:	MBA (UNE) Accredited Chaplain Dip. Ed (Sydney) M.Ed. (UNSW) B.Ec. (Sydney) Dip. Sp Ed. (CSU) Associate Fellow - Australian Institute of Management
Experience:	Appointed to the Board 20 April 2021

R Dunn	Honorary Treasurer – from 21 June 2022
Qualifications:	B.A. (Hons), GAICD, CA (ANZ)
Experience:	Appointed to the Board 26 April 2022

Meetings of Directors

During the year 2022 the following meetings were held. Attendances were:

	Board Meetings	Annual General Meeting	Sub-Committee Meetings
Total held:	6	1	15
Attended by:			
P Janssen	6	1	7
R Dunn	4		7
J Fyffe	5	1	5
B A Douglas	4	1	5
J G Bradley	5	1	6
J Moffatt	5	1	0
M Edmonds	5	0	4
G Bondar	4	0	7
J Freeman	2	1	

Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $2.00 each towards meeting any outstanding obligations of the company. At 31 December 2022, the total amount that members of the company are liable to contribute if the company is wound up is $26.

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2022 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

P. Janssen
....
P JANSSEN
Director / Chairman

June Fyffe
....
J FYFFE
Director

Dated this 5th day of APRIL 2023

MTJ ManserTierney&Johnston
Chartered Accountants & Wealth Management

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

AUDITOR'S INDEPENDENCE DECLARATION UNDER ACNC ACT SECTION 60-40 TO THE DIRECTORS OF THE MISSION TO SEAFARERS, SYDNEY NSW

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of The Mission to Seafarers, Sydney NSW.

As the lead audit partner for the audit of the financial report of The Mission to Seafarers, Sydney NSW for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 there have been no contraventions of:

a) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Signed at Turramurra this 14th day of April 2023.

MTJ AUDIT PTY LTD

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PETER VILIMAA
Partner

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THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of The Mission to Seafarers, Sydney NSW, the directors of the company declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 11 to 39, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:

   a) comply with Australian Accounting Standards – Simplified Disclosures applicable to the company; and

   b) give a true and fair view of the financial position of the company as at 31 December 2022 and of its financial performance for the year ended on that date.

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

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

P. Janssen
....
Director

Jane Fyffe
....
Director

Dated this 5th day of APRIL 2023.

ManserTierney&Johnston
Chartered Accountants & Wealth Management

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MISSION TO SEAFARERS, SYDNEY NSW

Opinion

We have audited the financial report of The Mission to Seafarers, Sydney NSW (the company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 accompanying financial report of the company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

a) giving a true and fair view of the company's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of *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 ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (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 annual report for the year ended 31 December 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.

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MTJ ManserTierney&Johnston
Chartered Accountants & Wealth Management

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE MISSION TO SEAFARERS, SYDNEY NSW

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 registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 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.

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.

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THE MISSION TO SEAFARERS, SYDNEY NSW
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MISSION TO SEAFARERS, SYDNEY NSW

- 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.

- 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.

Signed at Turramurra this 14th day of April 2023.

MTJ AUDIT PTY LTD

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PETER VILIMAA
Partner

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THE MISSION TO SEAFARERS, SYDNEY NSW
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
Revenue	2	556,416	538,797
Consumables used - shop	3	(26,142)	(18,933)
Employee benefits expense		(382,402)	(280,660)
Depreciation expense	3	(16,000)	(21,101)
Motor Vehicle expenses		(37,027)	(17,497)
Travel expenses		-	-
Insurance and rates		(12,929)	(16,032)
Other expenses		(113,323)	(97,859)
Current year surplus/(deficit) before income tax		(31,407)	86,715
Income tax expense	1(k)	-	-
Net current year surplus/(deficit)		(31,407)	86,715
Other comprehensive income:			
Net gain on revaluation of non-current assets		900,000	-
Net gain/(loss) on revaluation of financial assets		-	-
Other comprehensive income for the year		900,000	-
Total comprehensive income for the year		$868,593	$ 86,715

THE MISSION TO SEAFARERS, SYDNEY NSW
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022	2021
CURRENT ASSETS			
Cash and cash equivalents	4	1,330,434	1,357,019
Accounts receivable and other debtors	5	9,137	4,717
Inventories	6	31,201	26,035
Other current assets	7	12,600	9,923
TOTAL CURRENT ASSETS		1,383,372	1,397,694
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,187,244	1,303,244
TOTAL NON-CURRENT ASSETS		2,187,244	1,303,244
TOTAL ASSETS		3,570,616	2,700,938
CURRENT LIABILITIES			
Accounts payable and other payables	9	31,977	22,006
Employee Provisions	10	51,617	60,503
TOTAL CURRENT LIABILITIES		83,594	82,509
TOTAL LIABILITIES		83,594	82,509
NET ASSETS		$3,487,022	$2,618,429
EQUITY			
Reserves	11	1,935,874	1,035,874
Retained Surplus	12	1,551,148	1,582,555
TOTAL EQUITY		$3,487,022	$2,618,429

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
EQUITY			
Reserves			
Asset Revaluation			
Balance 1 January		735,874	735,874
Add: Revaluation of Land & Buildings		900,000	-
Balance 31 December		1,635,874	735,874
National Redress Scheme			
Balance 1 January		300,000	-
Add: Transfer from Retained Surplus		-	300,000
Balance 31 December		300,000	300,000
Total Reserves		1,935,874	1,035,874
Retained Surplus			
Balance 1 January		1,582,555	1,795,840
Add: General Fund Surplus/(Deficit) for the Year	(46,135)		134,564
Welfare Fund Surplus/(Deficit) for the Year	14,728		(47,849)
		(31,407)	86,715
		1,551,148	1,882,555
Less: Transfer to National Redress Scheme Reserve		-	300,000
Balance 31 December		1,551,148	1,582,555
TOTAL EQUITY		$3,487,022	$2,618,429

THE MISSION TO SEAFARERS, SYDNEY NSW
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
Cash Flow from Operating Activities			
Grants received		366,000	366,000
Government Subsidies		-	34,950
Bequests and donations received		87,294	60,798
Receipts from customers		116,323	72,542
Payments to suppliers and employees		(580,914)	(421,250)
Interest received		11,297	4,965
Net cash provided by operating activities	16b	(26,585)	118,005
Cash Flows from Investing Activities			
Payment for Plant & Equipment		-	-
Net cash used in investing activities		-	-
Net Increase/(Decrease) in Cash Held		(26,585)	118,005
Cash and cash equivalents at beginning of the financial year		1,357,019	1,239,014
Cash and cash equivalents at the end of the financial year	16a	$1,330,434	$1,357,019

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

The financial statements were authorised for issue on 4 April 2023 by the directors of the company.

Accounting Policies

a) **Revenue**

Revenue recognition

Contributed Assets

The company receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the company recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

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

Operating Grants, Donations and Bequests

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

Note 1 – Summary of Significant Accounting Policies (cont'd)

When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Capital Grant

When the company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The company recognises income in profit or loss when or as the company satisfies its obligations under terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The company recognises dividends in profit or loss only when the company's right to receive payment or the dividend is established.

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

Note 1 – Summary of Significant Accounting Policies (cont'd)

b) **Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

c) **Property, Plant and Equipment**

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold 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.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

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

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

Depreciation

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

d) **Leases**

The company as lessee

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

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

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

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and

Note 1 – Summary of Significant Accounting Policies (cont'd)

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the company to further is objectives (commonly known a peppercorn/concessionary leases), the company has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

The company as lessor

The company leases some rooms in their building to external parties.

Upon entering into each contract as a lessor, the company assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases is recognised as receivables at the amount of the company's net investment in the leases.

When a contract is determined to include lease and non-lease components, the company applies AASB 15 to allocate the consideration under the contract to each component.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

e) Financial Instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

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

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

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

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

A financial liability is held for trading if it is:

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

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

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

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

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

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

Measurement is on the basis of two primary criteria, being:

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

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

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

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

The company initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

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

Equity instruments

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies (cont'd)

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 – Summary of Significant Accounting Policies (cont'd)

Impairment

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

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

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

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

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

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

General approach

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

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

Note 1 – Summary of Significant Accounting Policies (cont'd)

Simplified approach

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

This approach is applicable to:

- trade receivables; and
- lease receivables.

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

Purchased or originated credit-impaired approach

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

Evidence of credit impairment includes:

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

Low credit risk operational simplification approach

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

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

Note 1 – Summary of Significant Accounting Policies (cont'd)

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

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

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

Recognition of expected credit losses in financial statements

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

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

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

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

f) **Impairment of Assets**

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

g) **Employee Benefits**

Short-term employee benefits

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

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

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

h) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Summary of Significant Accounting Policies (cont'd)

i) Accounts Receivable and Other Debtors

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

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

j) Goods and Services Tax (GST)

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

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

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

k) Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

l) Provisions

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

m) Comparative Figures

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

n) Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 1 – Summary of Significant Accounting Policies (cont'd)

o) **Critical Accounting Estimates and Judgments**

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

Key estimates

(i) Valuation of freehold land and buildings

The freehold land and building at 13 Donald Street, North Ryde NSW 2113 was independently valued on 23 May 2022 by CBRE Residential Valuations Pty Ltd. The current market valuation as at 23 May 2022 was $2,100,000.

The valuation report is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout the report and with the Assumptions, Disclaimers, Limitations & Qualifications section of the report.

At 31 December 2022, the directors reviewed the key assumptions made by the valuers as at 23 May 2022. They have concluded that these assumptions remain materially unchanged and are satisfied that carrying amount does not exceed the recoverable amount of freehold land and building at 31 December 2022.

(ii) Useful lives of property, plant and equipment

As described in Note 1 (c), the company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) Performance obligations under AASB 15

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

(ii) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Note 1 – Summary of Significant Accounting Policies (cont'd)

The options that are reasonably going to be exercised is a key management judgement that the company will make. The company determines the likeliness to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the company.

(iii) Employee benefits

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

p) **Economic Dependence**

The Mission to Seafarers, Sydney NSW is dependent on the Trustees of The Sydney Bethel Union for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Trustees of The Sydney Bethel Union will not continue to support The Mission to Seafarers, Sydney NSW.

q) **Fair Value of Assets and Liabilities**

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (cont'd)

The fair value of liabilities and the company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted, and where significant, are detailed in the respective note to the financial statements.

r) **New and Amended Accounting Standards Adopted by the Company**

Initial adoption of AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The company has adopted AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: *Application of Tiers of Australian Accounting*, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

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NOTES TO THE FINANCIAL STATEMENTS
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	2022	2021
Note 2 - Revenue and Other Income		
Revenue from continuing operations		
Donations and bequests	87,294	60,798
Grants	366,000	366,000
Sale of goods - shop	67,781	52,858
	521,075	479,656
Other Revenue		
Gain on Disposal of Bus	-	-
Interest	14,297	4,965
Government Subsidies	-	34,950
Rent	21,044	19,226
	35,341	59,141
Total revenue and other income	$ 556,416	$ 538,797

Note 3 - Surplus for the Year

Surplus from ordinary activities has been determined after:

	2022	2021
a) Expenses		
Depreciation and amortisation:		
Plant and Equipment	16,000	21,101
Building	-	-
Total depreciation and amortisation	$ 16,000	$ 21,101
Cost of sales of goods - shop	$ 26,142	$ 18,933
Auditor Remuneration - audit services	$ 7,660	$ 7,310

Note 4 - Cash and Cash Equivalents

	2022	2021
Cash at bank	366,202	423,197
Cash on hand	34,300	10,000
Term deposits	929,932	923,822
	$1,330,434	$1,357,019

Note 5 - Accounts Receivable and Other Debtors

	2022	2021
Other receivables	9,137	4,717
	$ 9,137	$ 4,717

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NOTES TO THE FINANCIAL STATEMENTS
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	2022	2021
Note 6 - Inventories		
Inventory at cost	33,701	28,535
Less: Provision for obsolescence	(2,500)	(2,500)
	$ 31,201	$ 26,035
Note 7 - Other Current Assets		
Prepayments	$ 12,600	$ 9,923
Note 8 - Property, Plant and Equipment		
Land and Buildings		
Freehold Land and Buildings		
- At Independent Valuation	2,100,000	1,200,000
Less: Accumulated Depreciation	-	-
Total Land and Buildings	2,100,000	1,200,000
Plant and Equipment		
Plant and Equipment - At Cost	298,237	298,237
Less: Accumulated Depreciation	(210,993)	(194,993)
Total Plant and Equipment	87,244	103,244
Total Property, Plant and Equipment	$2,187,244	$1,303,244

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 8 - Property, Plant and Equipment (cont'd)

Valuations of freehold land, land improvements and buildings are based on the estimated realisable value in the open market.

The 2022 revaluations were made by the directors based on an independent valuation

The company has a policy of reviewing independent valuations of freehold land , land land improvements and buildings as and when obtained before revaluing these items.

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

	Freehold Land and Buildings	Plant and Equipment	Total
Balance at 1 January 2021	1,200,000	124,345	1,324,345
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	(21,101)	(21,101)
Revaluation	-	-	-
Balance at 31 December 2021	1,200,000	103,244	1,303,244
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	(16,000)	(16,000)
Revaluation	900,000	-	900,000
Balance at 31 December 2022	$ 2,100,000	$ 87,244	$ 2,187,244

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
Note 9 - Accounts Payable and Other Payables			
Accrued Expenses		31,977	22,006
	9a	$ 31,977	$ 22,006
a) Financial liabilities at amortised cost classified as accounts payable and other payables			
Trade and other payables:			
- total current		31,977	22,006
- total non-current		-	-
		31,977	22,006
Less: deferred income		-	-
Less: other payables		-	-
Financial liabilities as trade and other payables	17	$ 31,977	$ 22,006

	Note	2022	2021
Note 10 - Employee Provisions			
Current			
Annual leave		35,171	39,796
Long service leave		16,446	20,707
		$ 51,617	$ 60,503
Analysis of long service leave provision:			
Opening balance at 1 January		20,707	18,807
Additional provision raised during year		-	1,900
Amounts used		(4,261)	-
Balance at 31 December		$ 16,446	$ 20,707

	Note	2022	2021
Note 11 - Reserves			
Asset revaluation		1,635,874	735,874
National Redress Scheme Reserve		300,000	300,000
Total Reserves		$1,935,874	$1,035,874
Movement during the year in Reserves			
Asset Revaluation Reserve			
Balance 1 January		735,874	735,874
Add: Revaluation of Land & Buildings		900,000	-
Balance 31 December		$1,635,874	$ 735,874

The asset revaluation reserve records revaluations of non-current assets

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
Note 11 - Reserves (cont'd)			
National Redress Scheme Reserve			
Balance 1 January		300,000	-
Add: Transfer from Retained Surplus		-	300,000
Balance 31 December		$ 300,000	$ 300,000
Note 12 - Retained Surplus			
Balance 1 January		1,582,555	1,795,840
Add: General Fund Surplus/(Deficit) for the Year	(46,135)		134,564
Welfare Fund Surplus/(Deficit) for the Year	14,728		(47,849)
		(31,407)	86,715
		1,551,148	1,882,555
Less: Transfer to National Redress Scheme Reserve		-	300,000
Balance 31 December		$1,551,148	$1,582,555
Represented by:			
General Fund		1,305,911	1,352,046
Welfare Fund		245,237	230,509
		$1,551,148	$1,582,555

Note 13 - Contingent Liabilities and Contingent Assets

The Directors are not aware of any contingent liabilities or assets as at 31 December 2022.

Note 14 - Events After the Reporting Period

The Directors are not aware of any matters or circumstances not otherwise dealt with in the Directors' Report or Financial Statements for the year ended 31 December 2022 that has significantly or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021

Note 15 - Related Party Transactions

a) **Key Management Personnel**

Any person(s) having authority and responsibility for planning, directing and controllling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that company is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2022	2021
Key management personnel compensation	$ 170,136	$ 98,705

b) **Other Related Parties**

Directors
No loans or other transactions were made to Directors during the year ended 31 December 2022.

Other
The Sydney Bethel Union continues to provide financial assistance to The Mission. The level of assistance for the year was $366,000 (2021: $366,000).

Note 16 - Cash Flow Information

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2022	2021
Cash at bank and on hand	400,502	433,197
Term Deposits	929,932	923,822
	$1,330,434	$1,357,019

(b) Reconcilation of cash flow from operations with profit from ordinary activities

	2022	2021
Surplus from ordinary activities	(31,407)	86,715
Non-cash flows in profit from ordinary activities		
- Depreciation and amortisation	16,000	21,101
Changes in assets and liabilities		
- (Increase)/decrease in receivables	(7,097)	(1,593)
- (Increase)/decrease in inventory	(5,166)	(6,564)
- Increase/(decrease) in trade creditors	9,971	3,610
- Increase/(decrease) in provisions	(8,886)	14,736
Net cash provided by operating activities	$ (26,585)	$ 118,005

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 17 - Financial Risk Management

The company's financial instruments consist mainly of deposits with banks and short-term and long-term investment, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022	2021
Financial Assets			
Cash on hand	4	1,330,434	1,357,019
Accounts receivable and other debtors	5	9,137	4,717
Total Financial Assets		$1,339,571	$1,361,736
Financial Liabilities			
Financial liabilities at amortised cost			
Accounts payable and other payables	9	31,977	22,006
Total Financial Liabilities		$ 31,977	$ 22,006

Note 18 - Economic Dependency

The company is dependent upon a grant of funds from the Trustees of The Sydney Bethel Union. This sister society was formed prior to the company for similar purposes. The association has been in operation for over 100 years and there are no known circumstances for assuming that the mutually beneficial arrangements are likely to be terminated.

Note 19 - Entity Details

The registered office of the entity is:

The Mission to Seafarers, Sydney NSW
24 Hickson Road
Millers Point NSW 2000

The principal place of business is:

The Mission to Seafarers, Sydney NSW
24 Hickson Road
Millers Point NSW 2000

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 20 - Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $2 each towards meeting any outstandings or obligations of the entity.

At 31 December 2022 the number of members was 13 (2021: 8 members).

THE MISSION TO SEAFARERS, SYDNEY NSW
ABN 59 000 652 479

GENERAL FUND
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
INCOME			
Bequests		2,000	5,000
Donations			
Maritime Industry	15,901		13,261
Churches	-		1,221
Other	7,953		9,430
		23,854	23,912
Grants			
Australian Mariners Welfare Society	2,117		-
I.T.F London	-		-
Australian Council of PPE	-		-
Sydney Bethel Union	366,000		366,000
		368,117	366,000
Other			
Interest	12,236		4,309
Event Income	14,288		-
Jobkeeper Subsidy	-		34,950
Recoveries from Welfare Fund	-		44,422
Rent - North Ryde	21,044		19,226
Trading Profit	41,640		33,925
		89,208	136,832
TOTAL INCOME		483,179	531,744
Less:			
EXPENDITURE			
Administration	146,912		113,820
Depreciation	-		2,700
Salaries, Wages and Allowances	340,933		251,970
Superannuation and Long Service Leave	41,469		28,690
TOTAL EXPENDITURE		529,314	397,180
SURPLUS/(DEFICIT) FOR THE YEAR		$(46,135)	$134,564

THE MISSION TO SEAFARERS, SYDNEY NSW
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WELFARE FUND
ABN 91 451 928 534
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
INCOME			
Donations			
Personal	39,291		23,190
Shipping Companies	5,000		3,500
Other	19,149		5,196
		63,440	31,886
Other			
Sundry Income	-		430
Interest	2,061		656
		2,061	1,086
TOTAL INCOME		65,501	32,972
Less:			
EXPENDITURE			
Contributions to General Fund	-		44,422
Event Expenses	13,746		
Motor Vehicle Expenses	37,027		36,399
TOTAL EXPENDITURE		50,773	80,821
SURPLUS/(DEFICIT) FOR THE YEAR		$14,728	$(47,849)