Marriott Support Services
(A Company Limited by Guarantee)

ACN 094 426 061

Financial Report for the Year Ended 30 June 2019

Marriott Support Services

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Directors' Report

The directors present their report on Marriott Support Services ("the Company") for the financial year ended 30 June 2019.

Directors

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

- Graham Ashworth
- Linda Bennett
- Mark Bennetts
- Richard Cameron (Retired 12 November 2018)
- Stephen Creese
- Rowan Dowland (Retired 12 November 2018)
- Thomas Hatvani
- Ken Latchford
- Virginia Rogers (Retired 12 November 2018)
- Jill Thompson
- Catherine McGovern (Appointed 12 November 2018)

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 Marriott Support Services during the financial year was the provision of activities and employment programs to people with disabilities. The programs included personal support, vocational training, and indoors / outdoors income earning employment opportunities, as appropriate to the needs and capabilities of individuals. The company is supported in this work by NDIS funded client's payments, grants from government agencies and other donors.

Marriott Support Services' short-term objectives are to:

- Offer services for the whole of adult life for those with an intellectual disability in the south-east region of Melbourne.
- Ensure the organisation is well managed and financially viable.
- Become renowned for the work we do.
- Implement supports funded through the National Disability Insurance Scheme (NDIS) with services that are flexible, varied, creative, and innovative.

Marriott Support Services' long-term objectives are to:

- Offer people with disabilities choices and opportunities for the whole of their adult life, through the areas of employment, work skills and life skills.
- Expand on both our service offering and business streams.
- Become a leading organisation in the provision of services for people with an intellectual disability.

Marriott Support Services has adopted the following strategies to achieve these objectives:

- Provide pathways for people with an intellectual disability through the provision of services to develop their skills and job opportunities.
- Ensure our businesses are financially viable through pricing for profit, management of costs, maintaining quality of work, safety, and responsiveness to our customers.
- Develop the skills of our workforce through empowerment and training.
- Develop our reputation via networking, social media, and public speaking.
- Working in partnership with government, councils and the corporate sector.

Marriott Support Services' key performance indicators include:

- The number of supported employees within Marriott's business enterprises:
  - 2019: 107 employees / 2018: 110 employees

- The number of participants undertaking programs within Community Services:
  - 2019: 106 participants / 2018: 105 participants

- The performance (financial and non-financial) of Marriott's business enterprises:
  - A number of new contracts were secured by Enviro Management Services and Marriott Industries.

- Ensuring ongoing compliance against federal and state disability standards, ISO 9001 Quality Management Systems (QMS), AS/NZS 4801 Occupational Health & Safety Management Systems (OH&S), and state and federal government service agreements or deeds:
  - Marriott has maintained compliance during 2019 against the abovementioned matters.

Initiatives undertaken to increase public awareness of Marriott Support Services and its work:

- Disability information evenings run during 2018 - 2019 were open to the public and well attended.
- Regular presentations were conducted at local schools, TAFE institutions, and employment expos promoting the work of Marriott Support Services.
- Marriott's volunteering program continued its outstanding successes, with over 90 volunteers during the year including employees of large organisations such as NAB as well as regular community volunteers.
- The use of social media including Facebook blogs expanded during the year.
- Partnerships continued with a local retirement village and a lifesaving club.
- The partnership with GESAC and Glen Eira Council on International Day of Disability continues and highlighted Marriott's partnership and community engagement.
- Hosting community functions such as "Biggest Morning Tea" for the community.
- Attending local consultations with politicians.

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Directors' Report

Information on directors

The qualifications, experience, and special responsibilities of each person who has been a director during the financial year ended 30 June 2019 are listed below.

Stephen Creese	**Chair**
Appointed	1 December 2018
Qualifications	BA, LLB (Hons) Melbourne, Solicitor
Experience	Former inaugural independent Chair National Employment Services Association and General Counsel Company Secretary and executive roles in the resources sector and member of Australian Takeovers Panel. Currently - member of advisory board to the Office of Development Effectiveness in the Department of Foreign Affairs and Trade Chair Archives Advisory Board Melbourne University Senior Fellow Melbourne University and lecturer in International Mineral Law Vice- President, Astra Chamber Music Society Inc.
Special Responsibilities	Member of Nominations Sub-Committee and Audit Risk and Quality Sub-Committee 14 December 2018 Deputy Chair from 16 February 2018, Chair from 14 December 2018
Virginia Rogers	Chairman of the Board since December 2009
Appointed	24 April 2009
Qualifications	LLB (Hons) Diploma Commercial Law Mediation and Dispute Resolution La Trobe University Lawyer
Experience	Chair, Nurses Board of Victoria Legacy Ltd Former Chairperson Equal Opportunity Commission (1994-2002) and Director of Victorian Legal Aid (2012-2015) Extensive and diverse local government and not-for-profit experience.
Special Responsibilities	Member of Nominations Sub-Committee Retired 12th November 2018
Mark Bennetts	**Deputy Chair**
Appointed	1 December 2018
Qualifications	Bachelor of Engineering (Hons), Mechanical, University of Melbourne Graduate, Australian Institute of Company Directors
Experience	35 years of management experience in a wide variety of industries and disciplines including retail, wholesale, distribution, business systems, property development, risk and governance, corporate services, membership, hospitality and tourism Currently CEO, Mt Buller and Mt Stirling Resort Management Board Currently Director Tourism North East Former member of Policy Committee, Victorian Tourism Former Director, and later Chairman of International Specialised Skills Institute Former Chairman, Cockatoo Montessori Schools
Special Responsibilities	Member of Audit Risk and Quality Sub-Committee 14 December 2018 Deputy Chair from 14 December 2018
Ken Latchford	**Treasurer**
Appointed	1 July 2016
Qualifications	Bachelor of Commerce and MBA, University of Melbourne
Experience	Finance and Management professional with specialist skills in treasury, accounting, risk management, corporate governance and strategy. Industry experience in retail, wholesale and distribution, rail and logistics, labour services and the n-f-p sector. Former Director and Treasurer, Kids Under Cover and former Director Harness Racing Victoria. Fellow of CPA Australia. MSS Board Member since 1 July 2016
Special Responsibilities	Member of Audit Risk and Quality Sub-Committee 1 July 2016 Treasurer from 12 December 2018 Chair of Audit Risk and Quality Sub-Committee - 12 December 2018

Richard Cameron	Treasurer
Appointed	25 September 2009
Qualifications	Master of Business Administration Fellow of the Financial Services Institute of Australia
Experience	Former Director and Deputy Chairman of Marillac House Ltd Extensive experience as a Director and Chairman of companies in the professional services, superannuation and disability sectors. Principal of Cameron Consulting Group Pty Ltd
Special Responsibilities	Chair of Audit Risk and Quality Sub-Committee Retired 12th November 2018

Graham Ashworth	**Board Member**
Appointed	22 November 2013
Qualifications	Bachelor of Laws (Hons.). Monash University Master of Business Administration, Mt Eliza Business School Grad. Dip. Company Secretarial Practice, Chartered Secretaries Australia
Experience	Barrister and Solicitor of the Supreme Court of Victoria
Special responsibilities	Member of Audit Risk and Quality Sub-Committee Chair Governance Committee from 17 April 2019

Linda Bennett	**Board Member**
Appointed	16 November 2016
Experience	Former Deputy State Manager, Medicare Australia, and National Manager in the provision of customer service to health providers at the Department of Human Services. 35 years' experience in Commonwealth Government administration. RMIT Senior Invigilator. Diploma of Business Management
Special Responsibilities	Member of Governance Sub-Committee 17 April 2019

Rowan Dowland	**Board Member**
Appointed	27 April 2011
Qualifications	Grad Dip Management Grad Cert Sustainability Graduate Australian Institute of Company Directors
Experience	Chief Strategy Officer, Bank Australia Director Business Council of Cooperative and Mutuals Member of the Australian Bankers Association Industry Strategy Working Group
Special Responsibilities	Retired 12th November 2018

Thomas Hatvani	**Board Member**
Appointed	16 November 2016
Qualifications	Bachelor of Applied Chemistry and Master of Applied Science, RMIT Master International Business, University of Melbourne
Experience	Over 20 years' experience in the health and community sectors including roles in disability and aged care, acute care, private health insurance, nursing services, the pharmaceutical sector and with the Victorian Government
Special Responsibilities	Member of Audit Risk and Quality Sub-Committee and Nominations Sub-Committee 14 December 2018

Jill Thompson	**Board Member**
Appointed	4 March 2011
Qualifications	BA Monash University Master of Business Administration, University of Melbourne
Experience	Human resource specialist working in leadership development and executive coaching with a variety of clients from the public and private sectors. Experienced as a human resources and public relations executive in the mining, oil and water industries and in corporate education.
Special Responsibilities	Member of Nominations Sub-Committee 14 December 2018 Governance Sub-Committee 17 April 2019

Catherine McGovern	**Board Member**
Appointed	12 November 2018
Qualifications	Bachelor of Economics (Hons.), Monash University, Graduate Member – Australian Institute of Company Directors. Bachelor of Theology – University of Divinity
Experience	Over twenty years' experience in the health sector specialising in government relations, policy and communications. Currently Principal and co-founder of Evaluate, an economics consultancy focused on health and social policy and services Member, Medicines Australia Advisory Council Previous board experience: Melbourne City Mission; and Victoria Legal Aid Other previous experience: Member, Community and Carers Advisory Committee, Eating Disorders Victoria
Special Responsibilities	Member of Governance Sub-Committee 17 April 2019

The following table sets out the number of directors' meetings held during the financial year ended 30 June 2019 and the number of meetings attended by each director (while they were a director).

	Board Meetings		**Audit Risk & Quality Committee**		**Governance Committee** *'established April 2019'*		**Nominations, Remuneration and Succession Committee (NRS Committee)**	
	Eligible	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Stephen Creese	6	5	6	6	-	-	2	2
Virginia Rogers	2	2	-	-	-	-	-	-
Ken Latchford	6	6	6	6	-	-	-	-
Richard Cameron	2	2	2	2	-	-	-	-
Mark Bennetts	6	6	6	6	-	-	-	-
Graham Ashworth	6	5	6	6	0	0	-	-
Linda Bennett	6	5	-	-	0	0	-	-
Jill Thompson	6	5	-	-	0	0	2	2
Rowan Dowland	2	2	-	-	-	-	-	-
Thomas Hatvani	6	5	3	3	-	-	2	2
Catherine McGovern	3	3	-	-	0	0	-	-

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Directors' Report

Operating results
Marriott Support Services recorded a total comprehensive loss for the year ended 30 June 2019 of $111,561. In 2018, the entity recorded total comprehensive income of $803,356.

The 2019 result includes net deficit for the year of $111,561 (2018 surplus: $378,356) and NIL gain on the revaluation of land and buildings (2018: $425,000).

Surpluses are reinvested in furthering Marriott Support Services' work in providing services to people with a disability. The constitution prohibits the distribution of surpluses to the members and requires any surpluses remaining on winding up to be distributed to entities that have a similar purpose as the company and whose constitution has a similar restriction on the distribution of surpluses.

Events subsequent to the end of the reporting period
There are no events of a material nature to report subsequent to the end of the reporting period.

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

Indemnification and insurance of directors and officers
It is the policy of Marriott Support Services to enter into directors' deeds with each of its directors giving these people right of access to specific documents in the event of legal actions relating to their respective periods of service with the company. The deeds also indemnify the directors in respect of the costs of such actions (except where it would be unlawful to do so). No payments of this kind were made, nor liabilities incurred during the year (2018 - $NIL).

Marriott Support Services, its directors and officers are insured by the Victorian Managed Insurance Authority for liabilities incurred (other than liabilities specifically excluded by law) in the performance of their duties as directors or officers of the company.

Members guarantee
Marriott Support Services is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. The Entity is registered with the Australian Securities and Investments Commission as well as the Australian Charities and Not-for-profits Commission, and is a company limited by guarantee. If the entity is wound up, the constitution states that members are required to contribute a maximum $20 each towards meeting any outstanding obligations of the entity. As at 30 June 2019 the number of members was 32. The total amount to be contributed would therefore be $640 (30 June 2018: 28 members with a total contribution of $560).

Auditor's independence declaration
The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 8 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director: Stephen Creese
Stephen Ernest Nigel Creese

Director: K. A. Latchford
Ken Latchford

Dated this day **31st October 2019**

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001.

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 Marriott Support Services Limited. As the lead audit partner for the audit of the financial report of Marriott Support Services Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor's independence requirements as set out in the *Corporations Act 2001* and the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and

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

Wayne Durd

Name of Firm:	E. F. McPhail and Partners
Name of Partner:	Wayne C. Durdin
Date:	31st October 2019
Address:	Suite 12, 602 Whitehorse Road, Mitcham, VIC 3132

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Note	2019	2018
		$	**$**
Revenue	2	8,386,236	8,514,624
Other income	2	268,945	211,415
Employee benefits expense		(6,285,882)	(6,169,896)
Depreciation and amortisation expense	3	(425,459)	(352,606)
Interest expense	3	(59,303)	(64,965)
Bad and doubtful debts expense	3	-	(14,146)
Repairs and replacement of plant and equipment		(222,283)	(194,923)
Utilities and occupancy expenses		(453,038)	(406,520)
Motor vehicle expenses	3	(271,875)	(234,014)
Audit, legal, and consultancy fees		(209,306)	(217,320)
Production expenses		(303,262)	(220,769)
Marketing and communication expenses		(252,622)	(230,985)
Program and client support services expenses		(113,732)	(118,996)
Administration expenses		(169,980)	(122,542)
Profit/(Deficit) before income tax		**(111,561)**	**378,356**
Income tax expense		**-**	**-**
Net Surplus/(Deficit)		**(111,561)**	**378,356**
Items that will not be reclassified subsequently to Profit or Loss			
Net gain on revaluation of freehold land and buildings		-	425,000
Other Comprehensive Income for the year		**-**	**425,000**
Total Comprehensive income/(loss) for the year		**(111,561)**	**803,356**

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Statement of Financial Position

As at 30 June 2019

	Note	2019 $	2018 $
ASSETS			
Current assets			
Cash and cash equivalents	4	1,162,628	1,429,227
Accounts receivable and other debtors	5	753,302	552,064
Other current assets	6	39,225	64,175
Total current assets		**1,955,155**	**2,045,466**
Non-current assets			
Property, plant and equipment	7	10,199,150	10,178,045
Total non-current assets		10,199,150	**10,178,045**
Total assets		**12,154,305**	**12,223,511**
LIABILITIES			
Current liabilities			
Accounts payable and other payables	8	486,914	483,775
Borrowings	9	336,652	239,165
Provision for employee benefits	10	554,616	514,073
Total current liabilities		**1,378,182**	**1,237,013**
Non-current liabilities			
Borrowings	9	684,941	799,419
Provision for employee benefits	10	382,067	366,403
Total non-current liabilities		**1,067,008**	**1,165,822**
Total liabilities		**2,445,190**	**2,402,835**
Net assets		**9,709,115**	**9,820,676**
EQUITY			
Retained earnings		5,645,866	5,757,427
Revaluation reserve	15	4,063,249	4,063,249
Total equity		**9,709,115**	**9,820,676**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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Statement of Changes in Equity

For the year ended 30 June 2019

	Note	Retained earnings $	Revaluation reserve $	Total equity $
Balance at 1 July 2017		**5,379,071**	**3,638,249**	**9,017,320**
Surplus for the year		378,356	-	378,356
Other Comprehensive Income				
Increase in fair value of land and buildings	7	-	425,000	425,000
Total Comprehensive Income for the year		**378,356**	**425,000**	**803,356**
Balance at 30 June 2018		**5,757,427**	**4,063,249**	**9,820,676**
Deficit for the year		(111,561)	-	(111,561)
Total Comprehensive Income for the year		**(111,561)**	**-**	**(111,561)**
Balance at 30 June 2019		**5,645,866**	**4,063,249**	**9,709,115**

For a description of each reserve, refer to Note 15

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Statement of Cash Flows

For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from customers		8,327,885	8,901,194
Payments to suppliers and employees		(8,124,738)	(7,761,874)
Interest received		13,280	14,470
Interest paid		(59,303)	(64,965)
Net cash provided by operating activities		**157,124**	**1,088,825**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		53,138	44,655
Payment for property, plant and equipment		(459,869)	(486,364)
Payment for intangibles		-	-
Net cash used in investing activities		**(406,731)**	**(441,709)**
Cash flows from financing activities			
Loan repayments (net)		-	(340,000)
Repayment of finance lease liabilities		(16,992)	103,738
Net cash used in financing activities		**(16,992)**	**(236,262)**
Net increase / (decrease) in cash and cash equivalents		(266,599)	410,854
Cash and cash equivalents at the beginning of the financial year		1,429,227	1,018,373
Cash and cash equivalents at the end of the financial year	4	**1,162,628**	**1,429,227**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

The financial statements cover Marriott Support Services as an individual entity, incorporated and domiciled in Australia. Marriott Support Services is a company limited by guarantee.

Note 1 Summary of significant accounting policies

Basis of preparation

Marriott Support Services applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 31st October 2019 by the directors of the company.

Accounting Policies

(a) Revenue

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(b) 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.

Note 1 Summary of significant accounting policies (cont'd)

(b) Freehold property (cont'd)

Increases in carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Increases that offset a decrease previously recognised in the profit are first recognised in the profit or loss to the extent of the offset. Revaluation decreases that offset previous increases of the same class of asset are recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the profit or loss.

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

Freehold land and buildings 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.

(c) Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Plant and equipment 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.

(d) Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Land is not depreciated. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Fixed asset class	2019 Depreciation rates	Method
Buildings	2.5%	Straight Line
Furniture and fittings	10% - 20%	Straight Line
Office Equipment	2.5% - 50%	Straight Line
Plant and Equipment	5% - 50%	Straight Line
Motor Vehicles	20% - 25%	Straight Line

There has been no change in the application of the depreciation rates specified above for the 2019 financial year as compared to the 2018 financial year.

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 earnings.

Note 1 Summary of significant accounting policies (cont'd)

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised at the inception of the lease, recognising an asset and a liability at the fair value of the leased property or, if lower, the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

(f) 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 equivalent to the date that the company commits itself to either purchase or sell 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 recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(q)), amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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

– 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 in profit or loss over the relevant period.

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

A financial liability cannot be reclassified.

Financial assets

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:

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

Note 1 Summary of significant accounting policies (cont'd)

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.

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.

Impairment
At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

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 (i.e. when the obligation in the contract is discharged, cancelled or expires).

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

Note 1 Summary of significant accounting policies (cont'd)

– the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

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

(g) Impairment of assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(h) 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 within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick 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 current trade 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 company'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 government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities 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.

(i) Cash and cash equivalents

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

(j) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from participants and members as well as amounts receivable from customers for goods sold or services rendered in the ordinary course of business.

Note 1 Summary of significant accounting policies (cont'd)

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 assts.

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

(k) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of 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 supplies.

(l) Income tax

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

(m) Provisions

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

(n) Comparative figures

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

(o) Trade and Other Payables

Trade 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.

(p) Critical accounting estimates and judgements

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

i) Significant judgements

The company has entered into operating leases of premises, motor vehicles, and items of plant and equipment as disclosed in Note 11. Management has determined that substantially all of the risks and rewards of ownership for the above-mentioned items remain with the lessor and has therefore classified the leases as operating leases.

ii) Significant estimates

Valuation of freehold land and buildings

The valuation of the freehold land and building at 15A, 56 Keys Road, Cheltenham, VIC 3192, relied on a review of industrial rents in south-east Melbourne, and the freehold land at 92-100 Wheatley Road,

Note 1 Summary of significant accounting policies (cont'd)

McKinnon, VIC 3204 was subject to a high-level property review conducted by CBRE Valuations Pty Ltd for the period ended 30 June 2019. A property advisory letter was provided to advise the Directors of an approximate value on a dollar per square meter basis for 92-100 Wheatley Road. As the value on a dollar per square meter basis was found to be conservative, the Directors have agreed on this occasion, revaluation of Wheatley Road was not required. The review of the industrial rents in south-east Melbourne reflected a modest increase in rents, however the Directors have agreed on this occasion revaluation of Keys Road was not required. The critical assumptions in determining the valuation on a per square meter basis included the location of the land and buildings, recent sales data, and market rental yields for similar properties. As there is no valuation adjustment for the current year, the Directors have therefore agreed to adopt the 30 June 2018 property valuations as the property valuations as at 30 June 2019.

Provisions for employee entitlements

Provisions for employee benefits payable more than 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service as discussed in Note 1(g). As the company expects that most employees will use all their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, all annual leave is recorded as a current liability.

(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 (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

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

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

(r) Economic dependence

Marriott Support Services has been dependent on the State and Federal government for the majority of its revenue used to operate the business. However since the implementation of the National Disability Insurance Scheme (NDIS), which is implemented by the National Disability Insurance Agency (NDIA), MSS is dependent on revenue received via the NDIS. Through the transition to the NDIS, funding from State and Federal government has reduced during the year. At the date of this report the Board of Directors has no reason to believe the NDIA will not continue to support Marriott Support Services.

(s) New and revised standards that are effective for these financial statements

In the current year Marriott Support Services has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

Marriott Support Services

ACN 094 426 061

Notes to the financial statements for the year ended 30 June 2019

Note 2 Revenue and Other income

	2019 $	2018 $
Revenue from government operating grants		
Government grants & NDIS Income	3,943,458	4,242,877
Revenue from business operations		
Enviro Management Services	2,969,613	2,886,182
Marriott Industries	1,224,077	1,105,203
	4,193,690	3,991,385
Other Revenue		
Participant fees and charges	235,808	265,892
Interest received on investments and fixed interest securities	13,280	14,470
	249,088	280,362
Total Revenue	**8,386,236**	**8,514,624**
Other income		
Gain on disposal of property, plant and equipment	47,230	44,655
Other	204,755	142,218
	251,985	186,874
Donations and other fundraising income		
Donations and other fundraising income	16,960	24,542
	16,960	24,542
Total Other income	**268,945**	**211,415**
Total Revenue and Other income	**8,655,181**	**8,726,040**

Note 3 Various operating expenses

	2019 $	2018 $
Depreciation and amortisation		
Land and buildings	36,693	36,693
Motor vehicles	111,822	89,951
Plant and equipment	218,990	168,302
Office equipment	57,954	57,660
Total depreciation and amortisation	**425,459**	**352,606**
Interest expense on financial liabilities		
Bank facility interest	17,531	30,463
Hire purchase/finance lease interest	41,772	34,502
Total interest expense on financial liabilities	**59,303**	**64,965**
Bad and doubtful debts expense	-	14,146
Motor vehicle expenses	271,875	234,014

Marriott Support Services

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Notes to the financial statements for the year ended 30 June 2019

Note 3 Various operating expenses (continued)

	2019 $	2018 $
Audit remuneration		
Fees for the financial statement audit	12,144	35,374
Other services	-	-
Total audit remuneration incurred	**12,144**	**35,374**

Note 4 Cash and cash equivalents

Cash at bank – unrestricted	960,828	1,026,927
Cash float	1,800	2,300
Cash on deposit	200,000	400,000
Total cash and cash equivalents	**1,162,628**	**1,429,227**

The bank overdraft facility limit as at 30 June 2019 is $200,000 and remains undrawn at balance date.

Note 5 Accounts receivable and other debtors

Accounts receivable	759,643	540,568
Provision for doubtful debts	(27,837)	(30,000)
	731,806	510,568
Other debtors	21,496	41,496
Total accounts receivable and other debtors	**753,302**	**552,064**

Provision for doubtful debts

Trade receivables are generally on 30 day terms. When the company is satisfied that no recovery of the amount owing is possible, the amount is written off against the provision directly.

Movement in the provision for doubtful debts is as follows:

Provision for doubtful debts opening balance	30,000	16,004
Charge for year	-	14,146
Written off	(2,163)	(150)
Provision for doubtful debts closing balance	**27,837**	**30,000**

Note 6 Other current assets

Prepayments	39,225	64,175
Total other current assets	**39,225**	**64,175**

Note 7 Property, plant, and equipment

	2019 $	2018 $
Land and buildings		
Freehold land at fair value:		
- directors' valuation in 2019	7,482,258	7,482,258
Total land	**7,482,258**	**7,482,258**
Buildings at fair value:		
- directors' valuation in 2019	1,467,742	1,467,742
Less accumulated depreciation	(73,388)	(36,693)
Total buildings	**1,394,354**	**1,431,049**
Total land and buildings	**8,876,612**	**8,913,307**
Plant and equipment		
Plant and equipment at cost	1,690,354	2,009,478
Less accumulated depreciation	(913,492)	(1,350,119)
	776,862	659,359
Motor vehicles at cost	995,906	959,649
Less accumulated depreciation	(749,822)	(673,610)
	246,084	286,039
Office furniture, fittings and equipment	1,053,300	967,383
Less accumulated depreciation	(757,398)	(699,447)
Property Improvements – Work in Progress	3,690	51,404
	299,592	319,340
Total plant and equipment	**1,322,538**	**1,264,738**
Total property, plant and equipment	**10,199,150**	**10,178,045**

Note 7 Property, plant and equipment (continued)

Movements in carrying amounts

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

2018	**Land and buildings $**	**Motor vehicles $**	**Plant & equipment $**	**Office furniture, fittings and equipment $**	**Total $**
Balance at the beginning of year	8,525,000	264,911	409,670	419,706	9,619,287
Additions at cost	-	111,079	272,991	50,890	434,960
Property Improvements – WIP	-	-	-	51,404	51,404
Balance Transfer	-	-	145,000	(145,000)	-
Revaluation increment	425,000	-	-	-	425,000
Depreciation expense	(36,693)	(89,951)	(168,302)	(57,660)	(352,606)
Carrying amount at end of year	**8,913,307**	**286,039**	**659,359**	**319,340**	**10,178,045**

2019					
Balance at the beginning of year	8,913,307	286,039	659,359	319,340	10,178,045
Additions at cost	-	75,640	371,350	34,514	481,504
Property Improvements – WIP	-	-	-	3,690	3,690
Disposals	-	(3,773)	(34,857)	-	(38,630)
Revaluation increment	-	-	-	-	-
Depreciation expense	(36,695)	(111,822)	(218,990)	(57,952)	(425,459)
Carrying amount at end of year	**8,876,612**	**246,084**	**776,862**	**299,592**	**10,199,150**

Asset revaluations

The freehold land and building at 15A, 56 Keys Road, Cheltenham, VIC, 3192, and the freehold land at 92 – 100 Wheatley Road, McKinnon, VIC, 3204 were independently valued at 30 June 2017 by CBRE Valuation Pty Ltd.

The 2017 valuation was based on AASB 13 'Fair value' which takes into consideration a property's highest and best use, and AASB 136 'Impairment of Assets' which takes into consideration a property's depreciated replacement cost.

The valuation of the freehold land and building at 15A, 56 Keys Road, Cheltenham, VIC 3192, relied on a review of industrial rents in south-east Melbourne, and the freehold land at 92-100 Wheatley Road, McKinnon, VIC 3204 was subject to a high-level property review conducted by CBRE Valuations Pty Ltd for the period ended 30 June 2019. A property advisory letter was provided to advise the Directors of an approximate value on a dollar per square meter basis for 92-100 Wheatley Road. As the value on a dollar per square meter basis was found to be conservative, the Directors have agreed on this occasion, revaluation of Wheatley Road was not required. The review of the industrial rents in south-east Melbourne reflected a modest increase in rents, however the Directors have agreed on this occasion revaluation of Keys Road was not required. The critical assumptions in determining the valuation on a per square meter basis included the location of the land and buildings, recent sales data, and market rental yields for similar properties. As there is no valuation adjustment for the current year, the Directors have therefore agreed to adopt the 30 June 2018 property valuations as the property valuations as at 30 June 2019.

As at 30 June 2019 the valuations have been adopted (excluding building allowance):

- 15A 56 Keys Road Cheltenham, VIC, 3192: **$4,120,000** (2018: $4,120,000)
- 92 – 100 Wheatley Road, McKinnon, VIC, 3204: **$4,830,000** (2018: $4,830,000)

Note 8 Accounts payable and other payables

	2019 $	2018 $
Accounts payable	158,761	129,075
Deferred income	18,172	83,720
Other current payables	220,803	195,660
Employee benefits	89,178	75,320
Total accounts payable and other payables	**486,914**	**483,775**

a. Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:		
– total current	486,914	483,775
– total non-current	-	-
Less deferred income	(18,172)	(83,720)
Less other payables	-	-
Financial liabilities as trade and other payables	468,742	400,055

Note 9 Borrowings

Current – secured		
Hire purchase liabilities	336,652	239,165
	336,652	239,165
Non-current – secured		
Hire purchase liabilities	434,941	549,419
Bank loans	250,000	250,000
	684,941	799,419
Total borrowings	**1,021,593**	**1,038,584**

Hire purchase and lease liabilities are secured against the underlying financed assets. Bank loans are secured against Factory 15A, 56 Keys Road, Cheltenham, VIC 3192.

The business market loan facility limit as at 30 June 2019 is $850,000 and $600,000 remains undrawn at balance date.

Note 10 Provision for employee benefits

	2019 $	2018 $
Current		
Annual leave and Long service leave		
Opening balance at 1 July 2018	514,073	692,367
Net Additional provisions raised during year	40,543	(178,294)
Current provision as at 30 June 2019	**554,616**	**514,073**
Non-current		
Long service leave		
Opening balance at 1 July 2018	366,403	58,548
Additional provisions raised during year	15,664	307,855
Non-current provision as at 30 June 2019	**382,067**	**366,403**

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Provision for non-current employee benefits

A change in the long service leave discount model has been adopted for the 2019 year which has resulted in the rebalancing of the current and non-current balances of long service leave.

The movement in the balances also includes amount of annual leave and long service leave paid in relation to the closure of Marriott Employment Options.

Note 11 Leasing commitments

	2019	2018
(a) Hire purchase commitments	**$**	**$**
Payable – minimum hire purchase payments		
not later than 12 months	365,366	271,434
later than 12 months but not later than 5 years	458,747	583,295
Minimum hire purchase payments	824,113	854,729
Less future finance charges	(52,520)	(66,145)
Present value of minimum hire purchase payments	**771,593**	**788,584**

Finance leases on motor vehicles (included in the above hire purchase commitments) of which there are 3 (2018: 3) commencing between 1 July 2018 and 30 June 2019 range between four to five years with the title being transferred to the company at the settlement of the last repayment of the lease term. No debt covenants or other such arrangements are in place.

(b) Operating lease commitments

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

Payable – minimum lease payments		
not later than 12 months	42,392	173,750
later than 12 months but not later than 5 years	-	101,900
	42,392	**275,650**

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

There are 2 major non-cancellable contracts during the 2018/2019 financial year as follows:

942 Nepean Highway, Moorabbin, VIC 3189

The initial lease term was for 5 years, commencing January 2013. An option to extend the lease for two further terms of 3 years was executed on 1 January 2018. A further term of 3 years is available and requires execution by 1 January 2021. Through a restructure of Marriott's operations, this lease was surrendered as at 30 June 2019, therefore Marriott no longer leases this premises.

Unit 10, 56 Keys Road, Cheltenham, VIC 3192

The initial lease term was for 3 years, commencing February 2014. An option to extend the lease for one further term of 3 years was executed in February 2017. The lease is due to expire in February 2020.

Note 12 Contingent liabilities and contingent assets

Marriott Support Services receives grant funding from the Federal and State Governments, along with funding from the NDIS. This grant funding is contingent upon Marriott Support Services continuing to provide services to people with a disability. If Marriott Support Services does not deliver the required service to the funding providers' satisfaction, Marriott Support Services may be required to return all unexpended funding at the expiry or earlier termination of the various agreements.

The company also has a bank guarantee provided by the National Australia Bank totalling $110,494 (2018: $110,494) for the provision of services with the Department of Health and Human Services.

Note 13 Events after the reporting period

There are no events of a material nature to report subsequent to the end of the reporting period.

Note 14 Related party transactions

(a) Key management personnel

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

The number of KMP in the 2019 financial year has remained at 2. However there was movement in KMP where a KMP retired but another hired during the year but their tenure did not overlap.

The total of remuneration paid to KMP of the company during the year are as follows:

	2019 $	2018 $
Key management personnel compensation	**286,686**	**318,964**

(b) Other related parties

Other related parties include entities that are controlled or jointly controlled by those key management personnel.

Plumbing services procured from a relative of an Executive	**4,395**	**5,040**

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

Note 15 Revaluation reserve

The revaluation reserve records the revaluations of non-current assets. The balance at year end comprises of the following asset classes. As there was no adjustment to the 2019 property valuations, the Directors have adopted the 30 June 2018 property valuations as the 30 June 2019 values (per Note 7).

Land & Buildings	4,063,249	4,063,249
Total	**4,063,249**	**4,063,249**

Note 16 Financial risk management

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

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

	Note	2019 $	2018 $
Cash and cash equivalents	4	1,162,628	1,429,227
Loans and receivables	5	753,302	552,064
Total financial assets		**1,915,930**	**1,981,291**
Trade and other payables	8(a)	468,742	400,055
Borrowings	9	1,021,593	1,038,584
Total financial liabilities at amortised cost		**1,490,335**	**1,438,639**

Note 17 Fair Value Measurements

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition. The company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Valuation techniques

The entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the entity are consistent with one or more of the following valuation approaches:

– the market approach, which uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Recurring fair value measurements

Non-financial assets			
- freehold land (i)	7	7,482,258	7,482,258
- buildings (i)	7	1,394,354	1,431,049
		8,876,612	**8,913,307**

(i) For freehold land and buildings, the fair values for the 2019 financial year is based are based on the 30 June 2018 valuations (per Note 7).

Note 18 Entity details

The registered office and principal place of business of the company is:

Marriott Support Services
Factory 15a / 56 Keys Road
Cheltenham VIC 3192

Note 19 Members guarantee

Marriott Support Services is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that members are required to contribute a maximum $20 each towards meeting any outstanding obligations of the entity. As at 30 June 2019 the number of members was 31. The total amount to be contributed would therefore be $620 (30 June 2018: 28 members with a total contribution of $560).

Marriott Support Services

ACN 094 426 061

Directors' Declaration

In accordance with a resolution of the directors of Marriott Support Services, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 28, are in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and:

   a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and

   b. give a true and fair view of the financial position of the company as at 30 June 2019 and of its performance for the year ended on that date.

2. In the directors' opinion 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.*

Director: Stephen Creese Director: K. A. Latchford

Stephen Ernest Nigel Creese (Chair) Ken Latchford (Treasurer)

Dated this 31st day of October 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARRIOTT SUPPORT SERVICES LIMITED

We have audited the financial report of Marriott Support Services Limited (the Company), which comprises the statement of financial position as at 30 June 2019, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Marriott Support Services Limited is in accordance with the Corporations Act 2001, and with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001, the ACNC Act, and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Marriott Support Services Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 30 June 2019 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations

Act 2001, the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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.
>
> 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.

Wayne Durdin

Name of firm:	E. F. McPHAIL AND PARTNERS
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Dated this	31st day of October 2019