

FINANCIAL REPORT

A deficit of \$20,393 was made in the 2006/2007 financial year. This deficit arose primarily as a result of costs relating to a restructure of our client services area. We anticipate these changes will improve our services, provide a clearer focus on meeting Quality Accreditation measures, and also place us in a better position to respond to additional administrative requirements following the introduction of the new Disability Services Act in Victoria.

The State government provides 80.8% of our total income and we gratefully acknowledge and appreciate the ongoing financial support provided by the Department of Human Services. However, the gradual change in funding to a more individualised approach presents us with a range of challenges for the future. These include working within the level of funding provided; our ability to attract and retain a flexible enough workforce to respond to the changing needs of the people we support; and developing systems that properly record income and expenditure against an individual (including allocating overheads and shared costs). All of these will require ongoing investment in infrastructure and other expenditure in related areas.

Our total salary costs represent in excess of 80.0% of total expenditure. As such, we are potentially exposed to a financial risk if wages increase beyond the funded level / CPI. We are waiting to determine the impact, if any, of the new workplace reforms introduced by the Federal Government in this regard.

At the end of the financial year, our balance sheet showed that we have a net asset position of \$806,566, and working capital of \$522,314. Both of these figures indicate that we are in a relatively healthy financial position, and reflect the continued success of our focus on prudent financial management.

When looking forward, we need to acknowledge that our sector continues to face financial pressures from normal cost pressures, increased competition for the charity dollar, and our desire to respond appropriately to the increasing demands for services. Pressures on our financial reserves will continue and increase so the need for prudent financial management remains an increasingly important area of focus.

Following is a summary of the financial position of Marillac House as at 30 June, 2007. Full audited accounts are available from 47 Milroy St., East Brighton for anyone who would like to inspect them.

PROFIT & LOSS REPORT

INCOME	
Grants Received	\$ 2,587,362
Client Fees	259,117
Interest	58,727
Donations	41,814
Other Income	74,043
	\$ 3,021,063

EXPENSES	
Salaries and Other Staff Related Costs	\$ 2,434,140
Client Services & Activities	187,975
Occupancy Cost	68,084
Depreciation	103,643
Other Expenses	247,614
	\$ 3,041,456

DEFICIT	\$ (20,393)
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BALANCE SHEET

CURRENT ASSETS	
Cash & cash equivalents	1,082,183
Trade & other receivables	78,531
Other current assets	10,960
	\$ 1,171,674

NON CURRENT ASSETS	
Property, Plant & Equipment	284,252
	\$ 1,455,926

TOTAL ASSETS	\$ 1,455,926
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CURRENT LIABILITIES	
Trade & other payables	416,716
Leave provisions	232,644
	\$ 649,360

TOTAL LIABILITIES	\$ 649,360
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NET ASSETS	\$ 806,566
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THE DIRECTORS

Gerard Dempsey

(joined Board 2003) is a Chartered Accountant with experience in corporate, financial and management accounting. His background includes involvement with Board Audit Committees and corporate governance issues. He has been Chairman of Marillac House Ltd since July 2006.

Francis Moore

(joined Board 1990, resigned June 2007) is a partner in a major law firm and has 24 years' experience as a lawyer. He was Chairman of Marillac House Limited from its establishment until June 2006, and a Director from then until June 2007.

Rhonda Fitch

(joined Board 2005) has been a registered psychologist since 1980, working initially in schools as an educational psychologist, and later in general private practice. Now retired from practice, Rhonda also volunteers at the Victorian Women's Trust.

Julie King

(joined Board 1998) holds qualifications in general nursing (RN), midwifery (RM) and community and maternal and child health, including a Diploma of Nursing Education and a Bachelor of Applied Science (Community Health). She currently teaches Child Studies in TAFE.

Paul Luby

(joined Board 2002) works as a Senior Human Resources Consultant, and also spends time caring for his two children. He has 20 years' experience in a variety of Human Resource roles in the private and public sector. Paul has an Advanced Certificate in Human Resources Operations and a Graduate Diploma in Business (HR Management).

Debra McCarthy

(joined Board 2000, resigned June 2007) has qualifications as a speech pathologist and over 26 years' experience working with young people, including seven years as Chief Executive Officer of Marillac House. Sr Debra was Provincial Treasurer and Provincial Councillor for the Daughters of Charity, and the Daughters' delegate on the Board of Marillac House Ltd.

Damien Walsh

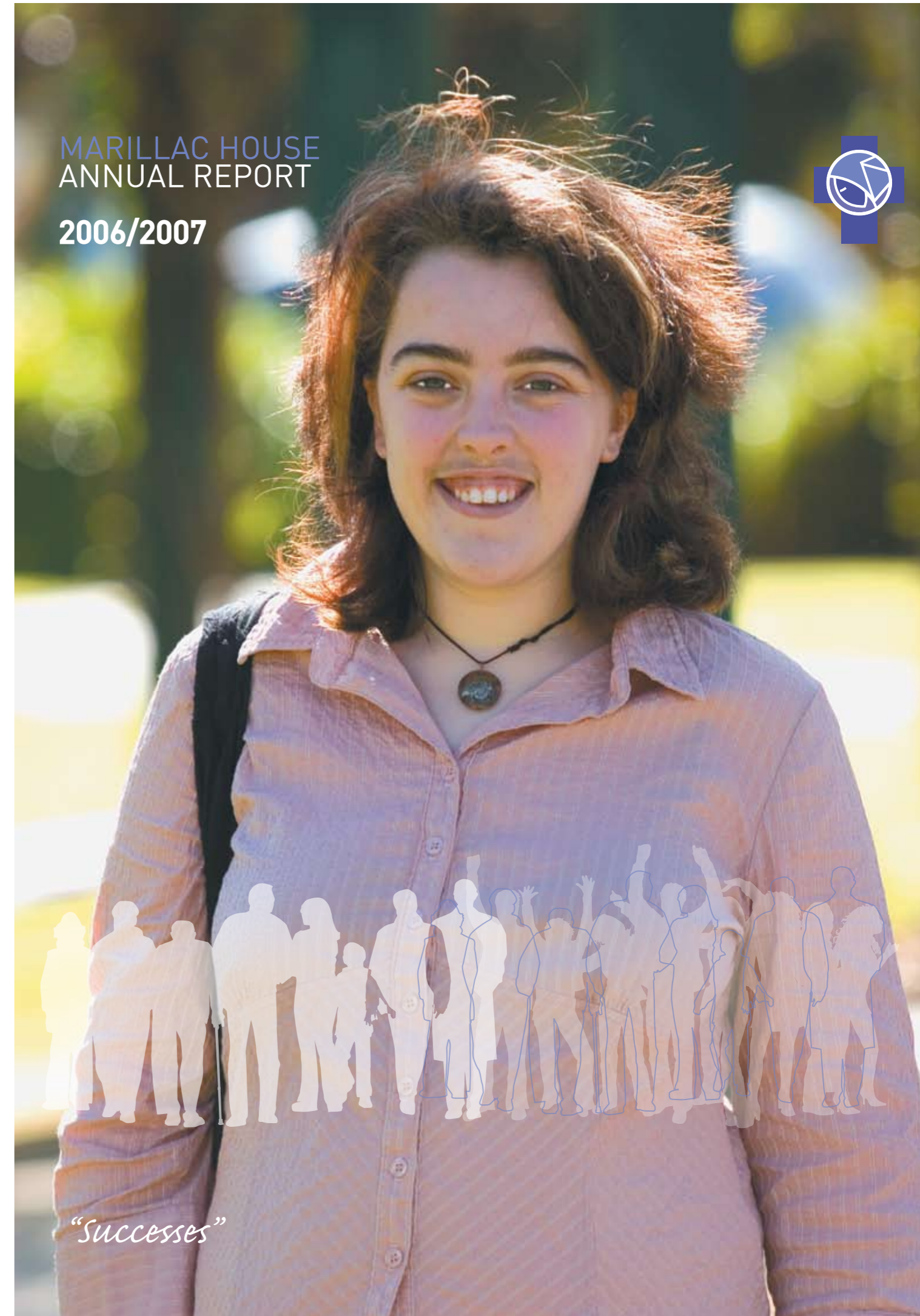
(joined Board 2004) is a Certified Practising Accountant, holds a Business Degree and is currently undertaking a Masters in Business Administration. Damien's experience is in the finance sector, predominantly credit unions (with areas of responsibility including Finance, Administration, Human Resources, Information Technology and Company Secretary). He is a member of the Finance Sub-Committee.

Johanna Snelleman

attends all Board meetings in her capacity as Chief Executive Officer of Marillac House Limited. Appointed in October 2000, Johanna came to the position of CEO with professional qualifications and considerable experience in the disability sector, both in Australia and overseas.

MARILLAC HOUSE ANNUAL REPORT

2006/2007



"Successes"

TO FIND OUT MORE ABOUT MARILLAC HOUSE, PLEASE CHECK OUR WEBSITE WWW.MARILLAC.COM.AU TO CONTACT US, SEND AN EMAIL TO MAIL@MARILLAC.COM.AU OR CALL US ON (03) 9591 6400.



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CHAIRMAN'S REPORT

I AM PLEASED TO PROVIDE THIS REPORT ON BEHALF OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 30 JUNE 2007.

This year we have decided to focus our report on the theme of "successes". Talking about what we have achieved has not always come comfortably to Marillac House – our wonderful inheritance from the Daughters of Charity includes a tendency to be modest, and to serve without thinking about recognition.

But we owe it to the people who work for Marillac House, and to the people we serve, to share their achievements with pride. In our field, success demands great dedication, imagination and hard work. These qualities have created some outstanding success stories this year, achieved by people we serve and our Marillac House staff, and it is right that we celebrate what they have accomplished.

As a Board we are well aware of how hard our staff work to achieve small and large goals during their work days. The challenges can be great, and the demands intense. We know they choose this work because it meets their need for career satisfaction. But we cannot and do not rely only on their personal commitment to their jobs and the people they work to support. We are making it a special focus to encourage and support Marillac House management in offering people valuable professional development, and creating a positive, team-based work environment. Our goal is to continue attracting the best quality people to work at Marillac House, and to keep these great people as part of Marillac House for many years. To meet that goal we have committed to providing a range of benefits, job satisfaction and career development that will attract and retain excellent staff.

Of course we also rely on drawing quality people to serve Marillac House as Directors. In 2007, Francis Moore retired from our Board after seventeen years of strong, purposeful and supportive service. Francis was among the first Directors appointed when Marillac House was incorporated in 1990, and our first Chairman, and he gave excellent guidance while we were setting up as a company. He continued as Chairman until 2006, and served a further period as a Director until retiring in June 2007. During his long service, Francis' experience and wisdom have been invaluable to his fellow Directors and everyone connected with Marillac House. On their behalf, I thank him very much and wish him the very best for the future.

This year we also said goodbye to another wonderful, long-serving member of our Board with the departure of Sr Debra McCarthy in June. Sr Debra was a Director of Marillac House for six and a half years, following six years as CEO, so she had a long, significant and very positive influence on our organisation. We thank her very much for all her contributions and wish her well in her new role in pastoral care at Calvary Hospital in Canberra.

I thank all my fellow Directors for their contributions this year. Their varied skills and personal qualities ensure the Board gives every issue the broadest and most careful consideration. It is a pleasure working with them to address the challenges and make the most of the opportunities that face Marillac House in the current environment.

Once again we also thank the Daughters of Charity for the many ways in which they supported the Board and our organisation this year. Their prayerful and practical support is invaluable to us.

Again this year we have reason to be very grateful to a number of generous donors and supporters. Their contributions make a great difference to our ability to serve people, and are very much appreciated by all of us in the Marillac House community. I hesitate to single anyone out, but I do want to acknowledge the continuing support of Kostka Hall.

Finally, while the Board endeavours to make wise decisions about the matters that come before us, we know very well that the success of Marillac House ultimately rests with our extremely professional and hard-working management and staff. Day to day, their commitment, judgement and skill creates and maintains the services which are our reason for existing. Their personal and professional qualities are the basic of Marillac's vital relationships with people using our services, and with other agencies. On behalf of all the Directors, I thank them very much.

I and the Board look forward very much to continuing these wonderful relationships in the years to come, so that we can keep improving on the services we deliver and our capacity to help people find real and lasting quality of life.

Gerard Dempsey

CHIEF EXECUTIVE'S REPORT

IT HAS BEEN ANOTHER CHALLENGING YEAR, BUT ONE AFTER WHICH WE CAN REFLECT ON SOME IMPORTANT GAINS.

I am very pleased this report focuses on the theme of successes, as we have so many exciting stories of both individual and organisational success to share and celebrate.

Some key areas of success are highlighted in this report, which both improved life immediately for people using our services, and helped build strong foundations for Marillac House to continue growing and improving going forward.

In recent years we have worked hard to create innovative accommodation options that give genuine choice to people with a disability, and the opportunity to enjoy more independent, enjoyable lives in their communities.

Neighbourhood Connections is a model of independent housing that we began offering in Melbourne last year, building on its very successful history in the United Kingdom. Working with relevant agencies, we help people find private accommodation they like, in an area where a group of up to about ten other people are also network members. This gives each person a group of neighbours they can contact as they wish to, as well as a part-time Community Living Worker who can help with advice and support as each person creates their independent life and makes connections with people and activities in their local area.

This year we have been delighted to see the ongoing success of the Armadale Neighbourhood Connections group, and to take the opportunity to set up new networks in Frankston and Rosebud. This work was co-ordinated with great skill and energy by our Project Officer, Fiona Porter.

The Helen MacPherson Smith Trust also funded an important strategic project, jointly sponsored by Marillac House and Northern Support Services, to examine the future of the Neighbourhood Connections housing model as a permanent tenancy support option in Australia.

Of course, Neighbourhood Connections is only one of many new and ongoing projects Marillac House delivered this year, to provide better accommodation and support.

This year we completed a major upgrade project so our houses and units providing supported accommodation in and near Brighton all offer modern, safe and pleasant living conditions with up to date amenities. I thank everyone who has been involved in this task, over a long period, for carrying it out so professionally and bringing it to a successful conclusion.

With funding from DHS Southern Region and the Catholic Education Office, we continued an important project to provide communication training and explore new communication options for people living in supported accommodation. This is vitally important to improving quality of life and giving people real choice and control.

We continued our work with the US-based Council on Quality and Leadership, which provides independent assessment of how well our services really meet the wishes and needs of the people who use them. This year we have been preparing for the next generation of quality assessment, have been visited by key CQL people Jeff Shoemaker and Epp O'Neill, and our Client Services Manager, Anne Bavington, completed training as a certified CQL trainer.

New Disability Services legislation in Victoria has introduced a range of changes relating to how people with disabilities may purchase their services, and how disability organisations will be required to form partnerships to meet changing funding structures. Understanding, communicating and maximising the benefits of these changes will continue to be an important focus in the year ahead.

Another major challenge for everyone in our sector continues to be recruitment of staff for individualised services. This year we undertook a joint project with Villa Maria Society and Calvary Silver Circle, funded by DHS, to seek opportunities for partnership, especially in the sharing of data, to better address this issue going forward.

We are also focusing on how we can create a mix of working environment, benefits and career development that helps us both recruit and retain quality staff.

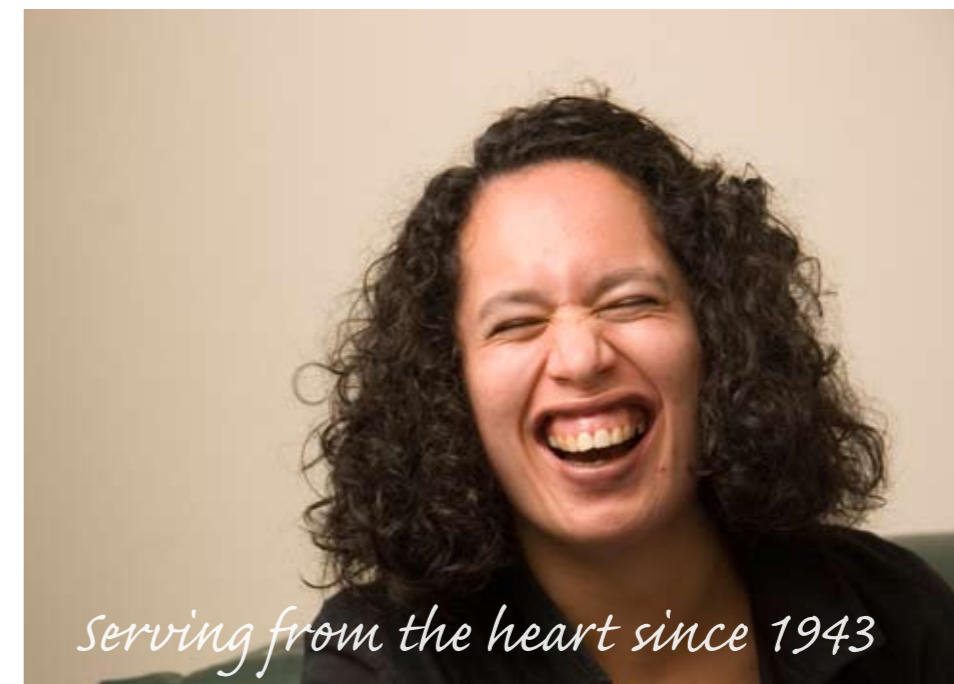
As we celebrate the successes of the past year, we also took some time last September to join the wider community of the Daughters of Charity to celebrate 80 years of service in Australia by the Daughters.

I would like to thank everyone who has contributed to the successes we have achieved in the last twelve months.

First, I thank the Directors for their support and encouragement. This year I especially thank Francis Moore and Sr Debra McCarthy, who have left the Board after many years of extraordinary service and who have both given Marillac House, and me, unstinting support. Francis has led this organisation with great sensitivity, mindful of our role as a work of the Daughters of Charity as well as a growing business. His wisdom about property and property development issues has been especially welcome. I hope very much that both Francis and Sr Debra will continue some form of affiliation with Marillac House.

Any success we achieve is only possible with the whole-hearted involvement of our supporters, partner agencies, our wonderful team of staff and of course the people using our services, their families and friends. I hope each of you reads this report with some pride for what you have contributed this year.

Johanna Snelleman



Serving from the heart since 1943



MARILLAC HOUSE SERVICES SUCCESSES IN 2006/2007

Success in giving individuals Support and Choice

People are now able to use individualised funding from the Department of Human Services to control their own support services, and get assistance that suits their specific, individual needs. We have continued to expand the services we offer to meet people's different interests and needs. These include support with recreation and community connections, personal care and access to health and medical services, and skills training and support in independent living skills like travel, budgeting, cooking, banking, cleaning and gardening.

Individual successes

We saw many people we support achieve success this year, reaching goals they set in their My Life Plan. Every person creates a My Life Plan to reflect on their dreams and aims, and to outline what they want to experience and achieve. Marillac uses each Plan to source the services and support people need to achieve their own goals.

One person who has lived in Shared Supported Accommodation services has moved into her own flat. She is supported by using both a Support and Choice Package and being linked to the Neighbourhood Connections Network in the area.

One person has been supported to locate a website that publishes books. She has made several listings and has been able to view her published works.

Successes also included community connections, holidays, increased contact with family and friends and the addressing of health issues. Many of the people using our accommodation services achieved their goals of increased recreational activities and outings, including swimming, Music Jam, Club wild, Interact, Funfields, horse riding, go karting and Oakleigh disco.

Neighbourhood Connections successes

We have made some wonderful advances with this program, which offers a new and very welcome housing model for people who want to live independently in the community, and also value structured support and the presence of a local network of neighbours. Neighbourhood Connections brings a number of people in independent accommodation together in a network, living near each other and supported by a Community Living Worker who offers support and training to help network members live independently, keep contact with each other and enjoy active lives in their community.

We received \$60,000 funding from the Helen MacPherson Smith Trust to run a Neighbourhood Connections network in Frankston for two years. We also received \$30,000 from Southern Region DHS to establish a network in Rosebud, and the support of Disability Options Victoria in Rosebud. We appointed Gail Abbott as the Community Living Worker for this network. These are in addition to our existing network in Armadale.

Successfully improving life for people living in our properties

We completed our major project to renovate and improve the physical condition of all the accommodation properties we manage. This included upgrades to five houses and several units.

This was a very important project to make sure people had the opportunity to enjoy modern facilities with accessible amenities. Success in this long and complex task was due to the foresight, skill and patience of a great many people.

Communications successes

Using the resources of the Communication Resource Centre, we have successfully completed training so far to meet the needs of ten people living in Shared Supported Accommodation services. We have developed individual communication aids, and trained twelve staff to undertake critical activities including communication assessments, sensory activities, signing, and the development of aids to support people using augmentative and alternative communication.

