



**FINANCIAL REPORT
FOR THE YEAR ENDED
30 June 2019**

Caritas Australia

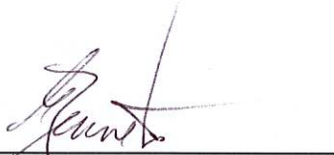
Responsible Entity Declaration

The responsible entities declare that in the responsible entities' opinion:

- (a) There are reasonable grounds to believe that Caritas Australia is able to pay all its debts, as and when they become due and payable; and

- (b) The financial statements and notes satisfy the requirements of *the Australian Charities and not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of *Australian Charities and Not-for-profit Commission Regulation 2013*.



Mr. Michael Burnett

Chair
Audit & Risk Management Committee
Dated this 29th day of October 2019.

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE RESPONSIBLE ENTITIES' OF CARITAS AUSTRALIA
ABN 90 970 605 069**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- i. the auditor's independence requirements as set out in 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.

This declaration is in respect of Caritas Australia during the year.



JOHN GAVLJAK
Partner

PITCHER PARTNERS
Sydney

29 October 2019

**Independent Auditor's Report
To the Members of Caritas Australia
ABN 90 970 605 069****Report on the Audit of the Financial Report***Qualified Auditor's Opinion*

We have audited the financial report of Caritas Australia the "Registered Entity", which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Entities' Declaration.

In our opinion, except for the possible effects, if any, on the financial report of the matters referred to in the Basis for Qualified Audit Opinion section of our report, the financial report of Caritas Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Registered Entity'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 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- iii. complying with the Australian Council for International Development (ACFID) Code of Conduct.

Basis for Qualified Audit Opinion

As is common with organisations of this type, it is not practical for Caritas Australia to maintain an effective system of internal control over voluntary collections and donations until their initial entry into the accounting records. Accordingly, our audit in relation to such funds was limited to amounts recorded.

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 Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not for-profits Commission Act 2012* "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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Registered Entity'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.

Independent Auditor's Report
To the Members of Caritas Australia
ABN 90 970 605 069

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 Responsible Entities and Those Charged with Governance for the Financial Report.

The responsible entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entity's 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 Registered Entity'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 Registered Entity to cease to continue as a going concern.

Independent Auditor's Report
To the Members of Caritas Australia
ABN 90 970 605 069

- 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 those charged with governance 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.



JOHN GAVLJAK
Partner



PITCHER PARTNERS
Sydney

29 October 2019

CARITAS AUSTRALIA
ABN 90 970 605 069

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 \$	2018 \$
REVENUE			
Donations and gifts:			
Monetary		20,110,645	23,314,355
Non-monetary		68,259	128,630
Legacies and bequests		4,088,650	5,428,207
Grants:			
DFAT		8,092,609	8,077,443
Other Australian		5,712,563	5,156,943
Other overseas		845,585	296,874
Investment income		1,454,167	1,087,523
Other income		363,372	319,400
TOTAL REVENUE	2	40,735,850	43,809,375
EXPENDITURE			
International Aid and Development Programs			
Expenditure			
International programs:			
Funds to international programs		21,823,103	22,491,848
Program support costs		3,180,887	3,431,522
Community education		5,027,341	5,055,590
Fundraising costs:			
Public		4,259,020	4,889,597
Government, multilateral and private		162,839	102,655
Accountability and administration		1,045,074	1,578,382
Non-monetary expenditure		68,259	128,630
Total International Aid and Development Programs		35,566,523	37,678,224
Expenditure		35,566,523	37,678,224
Expenditure for international political or religious proselytisation programs		33,700	33,000
Domestic programs expenditure		1,429,975	1,647,671
TOTAL EXPENDITURE	3	37,030,198	39,358,895
EXCESS OF REVENUE OVER EXPENDITURE		3,705,652	4,450,480

No Emergency Appeal generated 10 per cent or more of the total income for the year ended 30 June 2019. During the financial year, Caritas Australia received no income for international political or religious proselytisation programs.

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA
ABN 90 970 605 069

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Excess of revenue over expenditure		3,705,652	4,450,480
Other comprehensive income:			
Loss on revaluation of financial assets	12(c)	<u>(466,112)</u>	<u>(334,584)</u>
Total Other comprehensive income for the year		<u>(466,112)</u>	<u>(334,584)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,239,540</u>	<u>4,115,896</u>

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA
ABN 90 970 605 069

BALANCE SHEET AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	34,881,268	32,042,448
Trade and other receivables		207,907	587,227
Prepayments		533,749	750,602
Assets-held-for-sale	5	<u>-</u>	<u>1,339,000</u>
TOTAL CURRENT ASSETS		<u>35,622,924</u>	<u>34,719,277</u>
NON-CURRENT ASSETS			
Intangible assets	6	1,143,449	1,160,740
Other financial assets	7	10,609,218	9,219,472
Property, plant and equipment	8	<u>967,832</u>	<u>867,247</u>
TOTAL NON-CURRENT ASSETS		<u>12,720,499</u>	<u>11,247,459</u>
TOTAL ASSETS		<u>48,343,423</u>	<u>45,966,736</u>
CURRENT LIABILITIES			
Trade and other payables	9	2,841,818	4,595,027
Other liabilities	10	98,055	25,359
Short term provisions	11	<u>1,329,583</u>	<u>1,409,728</u>
TOTAL CURRENT LIABILITIES		<u>4,269,456</u>	<u>6,030,114</u>
NON-CURRENT LIABILITIES			
Long term provisions	11	<u>176,766</u>	<u>227,396</u>
TOTAL NON-CURRENT LIABILITIES		<u>176,766</u>	<u>227,396</u>
TOTAL LIABILITIES		<u>4,446,222</u>	<u>6,257,510</u>
NET ASSETS		<u>43,897,201</u>	<u>39,709,226</u>
EQUITY			
Reserves	12	18,924,456	16,285,163
Accumulated funds available for future use	13	<u>24,972,745</u>	<u>23,424,063</u>
TOTAL EQUITY		<u>43,897,201</u>	<u>39,709,226</u>

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA
ABN 90 970 605 069

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Note	Accumulated Funds Available for Future Use \$	12(b) Committed Funds Reserves \$	12(a) Specified Purpose Reserves \$	12(c) Financial Assets Reserve \$	Total \$
Balance at 1 July 2017		17,866,482	11,050,002	5,537,614	134,072	34,588,170
Excess of revenue over expenditure		4,450,480	-	-	-	4,450,480
Other comprehensive income for the year	12(c)	334,584	-	-	(334,584)	-
<i>Transfers (to) from reserves:</i>						
Committed Funds Reserves	12(b)	1,280,240	(609,664)	-	-	670,576
Specified Purpose Reserves	12(a)	(507,723)	-	507,723	-	-
Balance at 30 June 2018		<u>23,424,063</u>	<u>10,440,338</u>	<u>6,045,337</u>	<u>(200,512)</u>	<u>39,709,226</u>
Excess of revenue over expenditure		3,705,652	-	-	-	3,705,652
Other comprehensive income for the year	12(c)	466,112	-	-	(466,112)	-
<i>Transfers (to) from reserves:</i>						
Committed Funds Reserves	12(b)	(3,757,129)	4,239,452	-	-	482,323
Specified Purpose Reserves	12(a)	1,134,047	-	(1,134,047)	-	-
Balance at 30 June 2019		<u>24,972,745</u>	<u>14,679,790</u>	<u>4,911,290</u>	<u>(666,624)</u>	<u>43,897,201</u>

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants and donations received		40,866,128	45,450,624
Payments for projects and to suppliers and employees		(38,007,077)	(41,232,964)
GST (net) remitted to the ATO		(549,245)	(559,700)
Dividends received		565,775	368,754
Interest received		743,873	594,811
NET CASH PROVIDED BY OPERATING ACTIVITIES	15	3,619,454	4,621,525
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for leasehold improvements, plant and equipment		(238,188)	(100,465)
Payments for Intangible software cost		(61,403)	(730,391)
Payments for investments		(481,043)	(322,510)
NET CASH (USED IN) INVESTING ACTIVITIES		(780,634)	(1,153,366)
Net increase/(decrease) in cash held		2,838,820	3,468,159
Cash at beginning of year		32,042,448	28,574,289
CASH AT END OF FINANCIAL YEAR	4	34,881,268	32,042,448

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA
ABN 90 970 605 069

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

The financial report covers the entity of Caritas Australia which is an agency of the Australian Catholic Bishops Conference. The financial report was authorised for issue by the Caritas Australia National Council, a delegated committee of the Bishops Commission on 30 October 2019. The Bishops Commission has the power to amend and reissue the financial report.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, *Australian Charities and Not-for-profits Commission Act 2012* and the Australian Council for International Development (ACFID) Code of Conduct. For further information of the Code of Conduct, please refer to the ACFID Code of Conduct Guidance available at www.acfid.asn.au. Caritas Australia is a not-for-profit entity for the purpose of preparing the financial statements.

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

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Bishops Commission to exercise its judgement in the process of applying Caritas Australias' accounting policies. The areas involving a higher degree judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(p).

Accounting Policies

(a) Income Tax

No income tax is payable by Caritas Australia as the entity is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*.

(b) Leasehold Improvements, Plant and Equipment

Leasehold improvements, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of leasehold improvements, plant and equipment is reviewed quarterly by the Audit and Risk Management Committee to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (continued)

(b) Leasehold Improvements, Plant and Equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Caritas Australia and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of income and expenditure during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are amortised 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:

Class of Non-Current Asset	Amortisation / Depreciation Rate
Leasehold Improvements	10.0% or Shorter over life of lease
Motor Vehicles	25.0%
Plant and Equipment	10.0% – 33%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of income and expenditure. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated funds available for future use.

(c) 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.

Lease payments for operating leases, where substantially all the risks and benefits of ownership remain with the lessor are charged as expenses in the period in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when Caritas Australia becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that Caritas Australia commits itself to either purchase or sell the asset. Financial instruments are

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

initially measured at fair value plus transactions costs where the instrument is not classified 'at fair value through profit and loss'.

Transaction costs related to instruments classified 'at fair value through profit and loss' are expensed to the statement of income and expenditure immediately.

Classification of financial assets

Financial assets recognised by the company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVTOCI) in accordance with the relevant criteria in AASB 9 or fair value through profit or loss.

Classification of financial liabilities

All financial liabilities recognised by the company are subsequently measured at amortised cost.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Fair Value

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

Impairment

At each reporting date, Caritas Australia assesses whether there is objective evidence that a financial instrument has been impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid including the transfer of non-cash assets or liabilities is recognised in income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (continued)

(e) Impairment of Assets

At each reporting date, Caritas Australia reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of income and expenditure.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when Caritas Australia would, if deprived of the asset, replace its remaining future economic benefits, value in use is the depreciated replacement cost of an asset.

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

(f) Intangible Assets

Software development expense is capitalised only if it can be measured reliably, it is technically feasible, future economic benefits are probable and the agency intends to, and has sufficient resources to complete the development and to use the asset. Intangible assets, both acquired and internally generated are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful life of the asset between 5-15 years. The estimated useful life varies and as a result the amortisation method is reviewed at the end of each annual reporting period.

(g) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of Caritas Australia is measured using the currency of the primary economic environment in which Caritas Australia operates. The financial statements are presented in Australian dollars which is Caritas Australia's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the transaction of monetary items are recognised in the statement of income and expenditure, except when deferred in equity as a qualifying cash flow or net investment hedges.

Exchange differences arising on the transaction of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (continued)

(h) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(i) Provisions

Provisions are recognised when Caritas Australia 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.

(j) 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 3 months or less.

(k) Revenue

Grant revenue is recognised in the statement of income and expenditure when Caritas Australia obtains control of the grant, and it becomes probable that the economic benefits gained from the grant will flow to the entity and when 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.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established.

Gifts in kind are recognised at fair value, when its measurement can be reasonably determined. The contributions included in the financial report are measured on the basis of the wage, salary or rental expenses incurred by the relevant Archdioceses who have donated staff time to Caritas Australia. The contributions are also expensed at the same value in the expense category to which it is related.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (continued)

(l) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(m) Comparative Figures

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

(n) Reserves

Reserves represent funds held for the specific purpose (restricted) for which they were raised or in the case of general donations, for the commitments made to third parties engaged in aid or development activities where program agreements or memorandums of understanding are in place.

(o) Accumulated Funds Available for Future Use

Funds available for future use represent accumulated surpluses available to fund future projects.

(p) Critical Accounting Estimates and Judgements

Estimates and judgements incorporated in the financial report are 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 organisation.

Key estimates — Impairment

Caritas Australia assesses impairment at each reporting date by evaluating conditions and events specific to Caritas Australia that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(q) New Accounting Standards

New or amended Accounting Standards and Interpretations adopted

Caritas Australia has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (continued)

(q) New Accounting Standards (continued)

The following Accounting Standards and Interpretations are most relevant to Caritas Australia:

AASB 9 Financial Instruments

Caritas Australia has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening accumulated funds available for future use as at 1 July 2018.

Accounting Standards and Interpretations issued but not yet effective

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to Caritas Australia. Caritas Australia has decided not to early adopt any of these new and amended pronouncements. Caritas Australia's assessment of the new and amended pronouncements that are relevant to Caritas Australia but applicable in future reporting periods is set out below.

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16 will replace AASB 117: Leases and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (continued)

(q) New Accounting Standards (continued)

and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - i) investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or
 - ii) property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- (b) lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

The Responsible Entities of Caritas Australia has not yet determined the likely impact of the initial application of AASB 16 on its financial statements.

AASB 15: Revenue from Contracts with Customers (applicable to not-for-profit entities for annual reporting periods commencing on or after 1 January 2019).

AASB 15 will provide (except in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue. The Standard provides a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. AASB 15 also provides additional guidance to assist entities in applying the revised principle to licences of intellectual property, warranties, rights of return, principal/agent considerations and options for additional goods and services. Although the Responsible Entities of Caritas Australia anticipate that the adoption of AASB 15 may have an impact on Caritas Australia's reported revenue, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 1058: Income of Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Summary of Significant Accounting Policies (continued)

(q) New Accounting Standards (continued)

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer, the inflows are accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard; and
- (b) any difference between the consideration given for the asset and its fair value to be recognised in accordance with its substance (such as a contract liability, a financial instrument and/or a contribution by owners), and any residual amount recognised as income.

However, AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below- market terms and conditions principally to enable the entity to further its objectives. Electing to initially measure such right-of-use assets at cost rather than fair value has the corresponding effect of reducing the amount of income recognised by the entity under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

The Responsible Entities of Caritas Australia has not yet determined the likely impact of the initial application of AASB 1058 on its financial statements.

(r) Non-Current Assets Held for Sale

Assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and where the sale is considered highly probable.

The assets are stated at the lower of the carrying amount and fair value less costs to sell if the carrying amount is to be recovered principally through a sale transaction rather than through its continuing use.

For donated property and where Caritas Australia has control over the asset, it is recognise at fair value less costs to sell with the corresponding credit to the Income Statement.

Assets held for sale, if any, are not depreciated or amortised while they are classified as held for sale.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 2: Revenue

	2019	2018
Revenue from Government and other grants	\$	\$
Government grants	8,092,609	8,077,443
Other Australian	5,712,563	5,156,943
Other overseas	845,585	296,874
	<u>14,650,757</u>	<u>13,531,260</u>
Other revenue		
Donations and gifts - monetary	20,110,645	23,314,355
Gifts in kind - non-monetary	68,259	128,630
Legacies and bequests	4,088,650	5,428,207
Interest - other corporations	716,611	608,847
Dividends - other corporations	737,556	478,676
Other income	363,372	319,400
	<u>26,085,093</u>	<u>30,278,115</u>
Total Revenue	<u>40,735,850</u>	<u>43,809,375</u>

Note 3: Expenditure

Expenditure includes the following expenses:

	2019	2018
Expenses	\$	\$
Rental expense on operating leases	1,019,052	930,840
Salaries	8,401,370	9,478,500
Depreciation and amortisation of leasehold improvements, plant and equipment	140,676	196,560

Note 4: Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	915,104	1,011,234
Short-term bank deposits	33,966,164	31,031,214
	<u>34,881,268</u>	<u>32,042,448</u>
Total Cash and Cash Equivalents	<u>34,881,268</u>	<u>32,042,448</u>

Table of Cash Movements for Designated Purposes

Designated Purpose / Appeal	Note	Cash available at beginning of financial year	Cash raised during financial year	Cash disbursed during financial year	Cash available at end of financial year
Other Designated Appeals	12(a)	6,045,338	787,935	(1,921,983)	4,911,290
Other Purposes		25,997,110	41,387,841	(37,414,973)	29,969,978
Total		<u>32,042,448</u>	<u>42,175,776</u>	<u>(39,336,956)</u>	<u>34,881,268</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Note 5: Assets-held-for-sale – Non Current		
Non-Current Asset Held for Sale	-	1,339,000

Non-Current Asset Held for Sale comprise of a bequeathed property which is control by Caritas Australia which was sold during the 2019 Financial Year.

Note 6: Intangibles – Non Current

	2019	2018
	\$	\$
Software:		
At cost	1,180,414	1,180,414
Accumulated amortisation	(98,368)	(19,674)
	1,082,046	1,160,740
Work in Progress	61,403	-
	1,143,449	1,160,740

Note 7: Other Financial Assets – Non Current

	2019	2018
	\$	\$
Financial assets at fair value through other comprehensive income	10,609,218	9,219,472
Financial assets at fair value through other comprehensive income comprise:		
Unlisted Investments, at fair value:		
- Managed funds	10,609,218	9,219,472

Financial assets at fair value through other comprehensive income comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these instruments.

Note 8: Property, Plant and Equipment

	2019	2018
	\$	\$
Office Equipment:		
At cost	1,875,516	1,837,622
Accumulated depreciation	(1,678,240)	(1,714,771)
	197,276	122,851
Motor Vehicles:		
At cost	374,736	305,376
Accumulated depreciation	(247,942)	(220,898)
	126,794	84,478
Property & Leasehold Improvements:		
At cost	1,956,007	1,950,939
Accumulated amortisation	(1,312,245)	(1,291,022)
	643,762	659,917
Total Property, Plant and Equipment	967,832	867,247

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 8: Property, Plant and Equipment (continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and end of the current financial year.

	Office Equipment	Motor Vehicles	Property & Leasehold Improvements	Total
	\$	\$	\$	\$
Carrying amount at 1 July 2018	176,436	64,372	182,533	423,341
Additions	38,198	43,654	558,613	640,465
Disposals	(8,026)	-	-	(8,026)
Accum. Depreciation/Amortisation	8,026	-	-	8,026
Depreciation and amortisation expense	(91,783)	(23,548)	(81,229)	(196,560)
Carrying amount at 30 June 2018	<u>122,851</u>	<u>84,478</u>	<u>659,917</u>	<u>867,246</u>
Additions	163,760	69,360	5,068	238,188
Disposals	(125,865)	-	-	(125,865)
Accum. Depreciation/Amortisation	124,393	-	-	124,393
Depreciation and amortisation expense	(87,863)	(27,044)	(21,223)	(136,130)
Carrying amount at 30 June 2019	<u>197,276</u>	<u>126,794</u>	<u>643,762</u>	<u>967,832</u>

Note 9: Trade and other payables

	Note	2019	2018
		\$	\$
Trade payables		340,299	282,151
Other payables – Salary Sacrifice		50,419	41,676
Unexpended grants		1,466,648	2,775,297
Sundry payables and accrued expenses		984,452	1,495,903
		<u>2,841,818</u>	<u>4,595,027</u>

Financial liabilities at amortised cost classified as trade and other payables:

- Total current		2,841,818	4,595,027
- Less unexpended grants		<u>(1,466,648)</u>	<u>(2,775,297)</u>
Financial liabilities as trade and other payables	17	<u>1,375,170</u>	<u>1,819,730</u>

Note 10: Other Liabilities

	2019	2018
	\$	\$
Current:		
Financed Lease	98,055	25,359
	<u>98,055</u>	<u>25,359</u>
Non-Current:		
	-	-
Total Other Liabilities	<u>98,055</u>	<u>25,359</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 11: Provisions

	Short Term Employee Benefits	Long Term Employee Benefits	Total
	\$	\$	\$
Annual Leave	695,788	-	695,788
Long Service Leave	623,295	176,766	800,061
Overseas Staff Benefits	10,500	-	10,500
Balance at 30 June 2019	1,329,583	176,766	1,506,349
Analysis of total provisions		2019	2018
		\$	\$
Current		1,329,583	1,409,728
Non-Current		176,766	227,396
		1,506,349	1,637,124

Provision for long-term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of this report.

Note 12: Reserves

Caritas Australia maintains three reserve categories for the purpose of tracking and monitoring all funds that are committed and/or restricted to future program activity use and requirements.

Reserve Summary

Reserve Category	Note	2019	2018
		\$	\$
Specified Purpose Reserve	12(a)	4,911,290	6,045,337
Committed Funds Reserve	12(b)	14,679,790	10,440,338
Financial Assets Reserve	12(c)	(666,624)	(200,512)
Total Reserves		18,924,456	16,285,163

(a) Specified Purpose Reserve:

Specified purpose reserve records donations and contributions made to Caritas Australia where the contributor or donor has designated the funds towards a specific appeal or purpose.

	2019	2018
	\$	\$
<i>Specified Purpose Reserve:</i>		
Opening balance	6,045,337	5,537,614
Transfers to the reserve	787,935	3,456,653
Transfers from the reserve	(1,921,982)	(2,948,930)
Closing balance	4,911,290	6,045,337
Total Specified Purpose Reserve	4,911,290	6,045,337

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 12: Reserves (continued)

(b) Committed Funds Reserve:

Committed expenditure reserve fund was put in place to ensure that the agency has the financial means to continue to meet its current obligation to program partners where there is a current signed funding agreement in place, as well, to meet the ongoing obligation it may have towards any operating lease agreement.

	2019	2018
	\$	\$
<i>Caritas Australia Committed Expenditure Reserve:</i>		
Opening balance	1,259,917	2,583,890
Transfers to/(from) the reserve	3,495,786	(1,323,973)
Closing balance	4,755,703	1,259,917

Caritas Foundation reserve was put in place to recognise the preference as notified by supporters that their contribution, wherever operationally possible, provide a capital base from which the annual income derived be used to fund future expenditure.

	2019	2018
	\$	\$
<i>Caritas Foundation Reserve:</i>		
Opening balance	9,180,421	8,466,112
Transfers to/(from) the reserve	743,666	714,309
Closing balance	9,924,087	9,180,421
 Total Committed Funds Reserve	 14,679,790	 10,440,338

(c) Financial Assets Reserve:

Financial assets reserve records the mark to market movement in financial assets at fair value through other comprehensive income held by Caritas Australia.

	2019	2018
	\$	\$
<i>Financial Assets Reserve:</i>		
Opening balance	(200,512)	134,072
Revaluation decrement – financial assets	(466,112)	(334,584)
Closing balance	(666,624)	(200,512)

Note 13: Accumulated Funds Available for Future Use

	2019	2018
	\$	\$
Accumulated funds available at beginning of year	23,424,063	17,866,482
Excess of revenue over expenditure	3,705,652	4,450,480
Transfers to /(from) reserves	(2,156,970)	1,107,101
Accumulated funds available at end of year	24,972,745	23,424,063

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 14: Governance Officers and Senior Management

- (a) Name and position held of Caritas Australia governance officials and key management personnel in office at any time during the financial year are:

National Committee members do not receive any compensation for their roles at Caritas Australia.

Key Governance Officers

Bishop Greg O’Kelly SJ AM (till Nov 18)
Bishop Peter Stasiuk CSsR DD (till Nov 18)
Bishop Christopher A Saunders DD (from Nov 18)
Bishop Terence J Brady DD VG (from Nov 18)
Mr. Michael Burnett
Ms. Louise Campbell-Price (till Oct 2018)
Ms. Diane van Aken (from Oct 18)
Mr Clyde Cosentino
Prof. John Warhurst
Mr John Bouffler
Mr Sean Parnell
Ms Patrice Scales
Ms Kathryn Fogarty
Ms Sarah Gowty

Position

Council Chairman – non executive
Council Deputy Chairman – non executive
Council Chairman –non executive
Council Deputy Chairman – non executive
Council member – non executive
Council member – non executive
Council member – non executive
Council member – non executive
Council member – non executive
Council member – non executive
Council member – non executive
Council member – non executive
Council member – non executive
Council member – non executive

Senior Management

Mr. Bernard Holland (Acting)
Mr. Rocky Naickar
Mr. Melville Fernandez (Acting)
Mr. Richard Landels
Ms. Sandra Oliveira (Acting)
Sr. Jo Brady

Position

Chief Executive Officer
Chief Finance & Operations Officer
Head, International Programs
Head, Engagement & Sustainability
Senior Manager, People & Culture
Head, Mission

- (b) Senior Management Compensation:

	Salary	Short-term benefits		Post Employment Benefits Other	Total
	\$	Super- annuation	Termina- tion Pay	\$	\$
		\$	\$		
2019					
Total Compensation	1,001,949	95,185	-	-	1,097,134
2018					
Total Compensation	979,263	93,030	-	-	1,072,293

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 15: Cash Flow Information

Reconciliation of Cash Flow from Operating Activities with Excess of Revenue over Expenditure	2019	2018
	\$	\$
Excess of revenue over expenditure for year	3,705,652	4,450,480
Non-cash flows:		
Depreciation and amortisation	214,825	208,207
Fair value adjustment to financial liabilities	(424,911)	(1,530,487)
Changes in assets and liabilities:		
Net gain on sale of property	1,339,000	-
(Increase) / Decrease in receivables	379,320	(418,149)
(Increase) / Decrease in prepayments	216,854	47,049
Increase / (Decrease) in payables	(1,603,208)	1,871,418
Increase / (Decrease) in provisions	(280,775)	14,072
Increase / (Decrease) in other liabilities	72,697	(21,065)
Cash flows from Operating Activities	3,619,454	4,621,525

Note 16: Related Party Transactions

Caritas Australia is an agency of the Catholic Church in Australia where the Bishops Commission for Justice, Ecology and Development and National Council members are appointed by the Australian Catholic Bishops Conference (ACBC). As part of Caritas Australia's normal operations and activities it conducts a substantial number of transactions with other entities within the Catholic Church both in Australia and abroad. These entities include other Catholic Church agencies, its dioceses and parishes. The nature of these transactions is predominately in the form of donations and transfers of funds.

Note 17: Financial Risk Management

Caritas Australia's financial instruments consist foreign exchange forward contracts, deposits with banks, trade and other receivables, trade and other payables and long term investments.

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

	Note	2019	2018
		\$	\$
Financial Assets			
Cash and cash equivalents	4	34,881,268	32,042,448
Trade and other receivables		207,907	587,227
Financial assets at fair value through other comprehensive income	7	10,609,218	9,219,472
Assets-held-for-sale	5	-	1,339,000
		<u>45,698,393</u>	<u>43,188,147</u>
Financial Liabilities			
Trade and other payables	9	1,375,171	1,819,730
Unexpended Grants	9	1,466,648	2,775,297
		<u>2,841,819</u>	<u>4,595,027</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 17: Financial Risk Management (Continued)

Financial Risk Management Policies

Caritas Australia's management analyses its exposure to financial risks and evaluates strategies in the context of the most recent economic and industry conditions and forecasts. Caritas Australia's overall risk management strategy seeks to assist Caritas Australia in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

The main risk Caritas Australia is exposed to through its financial instruments is liquidity risk.

(a) Interest Rate Risk:

At 30 June 2019 Caritas Australia is not exposed to any material interest bearing liabilities and therefore is not materially impacted by fluctuations in interest rates.

(b) Liquidity:

Liquidity risk arises from the possibility that Caritas Australia might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Caritas Australia manages liquidity by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

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

	Within 1 Year		1 – 5 Years		Over 5 Years		Total contractual cash flow	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment								
Trade and other payables	1,375,171	1,819,730	-	-	-	-	1,375,171	1,819,730
Unexpended Grants	1,466,648	2,775,297	-	-	-	-	1,466,648	2,775,297
			-	-	-	-		
Total expected outflows	<u>2,841,819</u>	<u>4,595,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,841,819</u>	<u>4,595,027</u>

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NOTES TO THE FINANCIAL STATEMENTS
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Note 17: Financial Risk Management (Continued)

	Within 1 Year		1 – 5 Years		Over 5 Years		Total contractual cash flow	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
cash flows realisable								
Cash and Cash								
Equivalents	34,881,268	32,042,448	-	-	-	-	34,881,268	32,042,448
Trade and other receivables	207,907	587,227	-	-	-	-	207,907	587,227
Financial assets at fair value through other comprehensive income	-	39,051	-	-	10,609,218	9,180,421	10,609,218	9,219,472
Assets held for sale	-	1,339,000	-	-	-	-	-	1,339,000
Total anticipated inflows	<u>35,089,175</u>	<u>34,007,726</u>	<u>-</u>	<u>-</u>	<u>10,609,218</u>	<u>9,180,421</u>	<u>45,698,393</u>	<u>43,188,147</u>
Net inflow on financial instruments	<u>32,247,356</u>	<u>29,412,699</u>	<u>-</u>	<u>-</u>	<u>10,609,218</u>	<u>9,180,421</u>	<u>42,856,574</u>	<u>38,593,120</u>

(c) Credit Risk:

Caritas Australia does not have any material credit risk exposure to any single receivable under financial instruments entered into.

(d) Foreign currency risk:

Caritas Australia is exposed to fluctuations in foreign currencies arising from the payment of overseas aid and development funds in currencies other than its functional currency.

Caritas Australia manages these fluctuations through appropriate budgeting of foreign currency expenditure and taking out foreign currency forward contracts to mitigate fluctuations.

Net Fair Values

The net fair values of all financial assets and liabilities approximate their carrying value. The accounting policies, terms and conditions of these items are the normal commercial policies, terms and conditions adopted by businesses in Australia.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Sensitivity analysis

No sensitivity analysis has been performed for interest rate risk as Caritas Australia is not materially exposed to fluctuations in interest rates. No sensitivity analysis has been performed for foreign exchange risk as Caritas Australia is not materially exposed to fluctuations in foreign currency rates.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 18: Leasing Commitments

	2019	2018
	\$	\$
Payable: minimum lease payments		
– not later than 12 months	783,851	775,539
– between 12 months and 5 years	3,873,796	459,019
– greater than 5 years	-	-
	<u>4,657,647</u>	<u>1,234,558</u>

Note 19: Remuneration of Auditors

During the year the following fees were paid or payable for the services provided by the auditor of the Caritas Australia.

	2019	2018
	\$	\$
Audit and Other Assurance Service Fees		
– Pitcher Partners	39,780	36,750
	<u>39,780</u>	<u>36,750</u>

Note 20: Change in Accounting Policy

Caritas Australia has not changed its accounting policy from the previous financial year. All accounting is undertaken in compliance with the ACFID Code of Conduct.

Note 21: Contingent or Other Liabilities

Under the terms of the lease of Level 1, 24-32 O’Riordan Street, Alexandria, Caritas Australia would be required to remove designated fixtures, fittings, floor coverings, signs and notices if the option to renew is not exercised at the completion of the five year lease term being January 2025.

Note 22: Events After the Reporting Date

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