

Caritas Australia Limited

ABN 90 970 605 069

Annual Report - 30 June 2025

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The responsible entity declares that in its opinion:

- the financial statements and notes that are set out on pages 6 to 28 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the ACFID Code of Conduct, including:
 - (i) giving a true and fair view of Caritas Australia Limited's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2022*.
- There are reasonable grounds to believe that Caritas Australia Limited is able to pay all its debts, as and when they become due and payable;
- The accounts give a true and fair view of all income and expenditure with respect to fundraising appeals;
- Caritas Australia Limited has complied with the provisions and regulations of the *Charitable Fundraising Act 1991 (NSW)* and the conditions attached to the fundraising authority and;
- The internal controls exercised by Caritas Australia Limited are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Signed in accordance with subsection 60.15(2) of *Australian Charities and Not-for-profit Commission Regulation 2022*.

A handwritten signature in black ink, appearing to read "Gerald Stack".

Gerald Stack
Chair – Audit & Risk Committee

28 November 2025

Auditor's independence declaration
To the Responsible Entities' of Caritas Australia Limited
ABN 90 970 605 069

I declare that to the best of my knowledge and belief, during the year ended 30 June 2025 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.



John Gavljak
Partner

Pitcher Partners
Sydney

28 November 2025

Independent auditor's report

To the Members of Caritas Australia Limited

ABN 90 970 605 069

Report on the audit of the financial report

Opinion

We have audited the financial report of Caritas Australia Limited the "Registered Entity", which comprises the statement of financial position as at 30 June 2025, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2025, and notes to the financial statements, including a summary of material accounting policies, and the Responsible Entities' Declaration.

In our opinion, 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 2025 and of its financial performance for the year then ended;
- ii. Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*; and
- iii. Complying with the Australian Council for International Development (ACFID) Code of Conduct.

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 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 (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 2025 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 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, the ACNC Act, the ACFID Code of Conduct, the *Charitable Fundraising (NSW) Act 1991* and Regulations and *WA Charitable Collections Act 1946* and *Regulations 1947* 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.

- 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.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015 and the requirements of the WA Charitable Collections Act 1946 and the WA Charitable Collections Regulations 1947

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act 1946*. Our procedures include obtaining an understanding of the internal control structure for fundraising appeal activities and examining, on a test basis, evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* and the *WA Charitable Collections Act 1946* and the *WA Charitable Collections Regulations 1947*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error, or non-compliance may occur and not be detected. An audit is not performed continuously throughout the year and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. Therefore, an audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations. The audit opinion expressed in this report has been formed on the above basis.

In our opinion:

- A. The financial report of Caritas Australia Limited has been properly drawn up, and associated records have been properly kept during the financial year ended 30 June 2025, in all material respects, in accordance with:
- Sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - Sections 10(6) and (11) of the *NSW Charitable Fundraising Regulations 2015*;
 - The *WA Charitable Collections Act 1946*; and
 - The *WA Charitable Collections Regulations 1947*.
- B. The money received as a result of fundraising appeals concluded by the Company during the financial year ended 30 June 2025 has been properly accounted for and applied, in all material respects, in accordance with the abovementioned Acts and Regulations.

I, John Gavljak, am currently a member of the Chartered Accountants Australia and New Zealand and my membership number is 90735.

Independence

We confirm the independence declaration required by the ACNC Act, which has been given to those charged with governance of the Responsible Entity, would be on the same terms if given to those charged with governance as at the time of this auditor's report.



John Gavljak
Partner



Pitcher Partners
Sydney

28 November 2025

Caritas Australia Limited
Statement of income and expenditure and other comprehensive income
For the year ended 30 June 2025



	Note	2025 \$	2024 \$
Revenue			
<i>Donation and gifts:</i>			
Monetary		24,224,559	22,936,526
Non-monetary		-	-
Legacies and bequests		8,353,249	2,850,902
<i>Grants:</i>			
DFAT		10,338,651	8,991,541
Other Australian		4,174,604	4,352,615
Other overseas		83,333	104,165
Investment income		933,838	1,286,864
Other income		1,805,987	1,256,474
Total revenue and other income	4	<u>49,914,221</u>	<u>41,779,087</u>
Expenditure			
International Aid and Development Programs Expenditure			
<i>International programs:</i>			
Funds to international programs		26,042,255	26,536,329
Program support costs		4,114,323	4,361,400
Community education		6,502,009	7,073,050
<i>Fundraising costs:</i>			
Public		7,693,624	8,299,466
Government, multilateral and private		-	182,684
Accountability and administration		1,491,354	2,521,609
Total International Aid and Development Programs Expenditure		<u>45,843,565</u>	<u>48,974,538</u>
Domestic programs expenditure		<u>896,621</u>	<u>1,031,505</u>
Total Expenditure	5	<u>46,740,186</u>	<u>50,006,043</u>
Excess/(shortfall) of revenue over expenditure for the year attributable to the members of Caritas Australia Limited	16,22	3,174,035	(8,226,956)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to statement of income and expenditure</i>			
Net gain on revaluation of financial assets		<u>550,191</u>	<u>32,438</u>
Other comprehensive income for the year		<u>550,191</u>	<u>32,438</u>
Total comprehensive income/(loss) for the year attributable to the members of Caritas Australia Limited		<u>3,724,226</u>	<u>(8,194,518)</u>

The above statement of income and expenditure and other comprehensive income should be read in conjunction with the accompanying notes

Caritas Australia Limited
Statement of financial position
As at 30 June 2025



	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	6	18,971,084	12,636,686
Trade and other receivables		126,497	178,587
Prepayments		787,283	851,821
Total current assets		<u>19,884,864</u>	<u>13,667,094</u>
Non-current assets			
Other financial assets	7	14,828,247	17,414,005
Property, plant and equipment	8	954,781	1,124,168
Right-of-use assets	9	1,650,194	1,991,613
Intangible assets	10	818,799	985,094
Total non-current assets		<u>18,252,021</u>	<u>21,514,880</u>
Total assets		<u>38,136,885</u>	<u>35,181,974</u>
Liabilities			
Current liabilities			
Trade and other payables	11	948,119	1,421,876
Contract liabilities	12	1,730,421	955,655
Lease liabilities	13	332,560	301,341
Employee benefits	14	747,993	1,511,277
Total current liabilities		<u>3,759,093</u>	<u>4,190,149</u>
Non-current liabilities			
Lease liabilities	13	1,599,347	1,931,906
Employee benefits	14	224,749	230,449
Total non-current liabilities		<u>1,824,096</u>	<u>2,162,355</u>
Total liabilities		<u>5,583,189</u>	<u>6,352,504</u>
Net assets		<u>32,553,696</u>	<u>28,829,470</u>
Equity			
Reserves	15	19,948,734	18,937,227
Accumulated funds available for future use	16	12,604,962	9,892,243
Total equity		<u>32,553,696</u>	<u>28,829,470</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Caritas Australia Limited
Statement of changes in equity
For the year ended 30 June 2025



	Reserves \$	Accumulated funds available for future use \$	Total equity \$
Balance at 1 July 2023	21,216,451	15,807,537	37,023,988
Deficit for the year	-	(8,226,956)	(8,226,956)
Other comprehensive income for the year	-	32,438	32,438
Total comprehensive loss for the year	-	(8,194,518)	(8,194,518)
<i>Transfers from/(to) reserves:</i>			
Financial assets reserves	818,674	(818,674)	-
Committed funds reserves	194,947	(194,947)	-
Specified purpose reserves	(3,292,845)	3,292,845	-
Balance at 30 June 2024	<u>18,937,227</u>	<u>9,892,243</u>	<u>28,829,470</u>

	Reserves \$	Accumulated funds available for future use \$	Total equity \$
Balance at 1 July 2024	18,937,227	9,892,243	28,829,470
Surplus for the year	-	3,174,035	3,174,035
Other comprehensive income for the year	-	550,191	550,191
Total comprehensive income for the year	-	3,724,226	3,724,226
<i>Transfers from/(to) reserves:</i>			
Financial assets reserves	396,393	(396,393)	-
Committed funds reserves	615,114	(615,114)	-
Balance at 30 June 2025	<u>19,948,734</u>	<u>12,604,962</u>	<u>32,553,696</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Caritas Australia Limited
Statement of cash flows
For the year ended 30 June 2025



	Note	2025 \$	2024 \$
Cash flows from operating activities			
Grants and donations received		47,854,069	40,540,486
Payments for projects and to suppliers and employees		(47,020,547)	(50,379,132)
GST (net) received/(remitted) to the ATO		394,000	(371,558)
Dividends received		782,384	680,074
Interest received		62,958	597,966
		<u> </u>	<u> </u>
Net cash from/(used in) operating activities	23	<u>2,072,864</u>	<u>(8,932,164)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	8	(17,296)	(15,125)
Payments for intangible assets	10	-	(79,239)
Payments for investments		-	(520,791)
Proceeds from disposal of investments		4,577,615	-
Proceeds from disposal of property, plant and equipment		2,555	-
		<u> </u>	<u> </u>
Net cash from/(used in) investing activities		<u>4,562,874</u>	<u>(615,155)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(301,340)	(308,682)
		<u> </u>	<u> </u>
Net cash used in financing activities		<u>(301,340)</u>	<u>(308,682)</u>
Net increase/(decrease) in cash and cash equivalents		6,334,398	(9,856,001)
Cash and cash equivalents at the beginning of the financial year		12,636,686	22,492,687
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	6	<u><u>18,971,084</u></u>	<u><u>12,636,686</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Caritas Australia Limited (also referred as the Registered entity or the Caritas Australia) as an individual entity. The financial statements are presented in Australian dollars, which is Caritas Australia Limited's functional and presentation currency.

Caritas Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, Building 3
189 O'Riordan Street
Mascot, NSW 2020

Caritas Australia is the Catholic agency for international humanitarian relief and development. Guided by the Catholic Social Teachings, it partners with the most vulnerable communities across Africa, Asia, the Pacific, and Australia to end poverty, promote justice, and uphold human dignity. Through sustainable development, humanitarian aid, and advocacy, Caritas helps improve access to livelihoods, clean water, sanitation, and education, partnering with communities to build better futures

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 November 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to Caritas Australia are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of Caritas Australia.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

For further information of the ACFID 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.

Historical cost convention

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 financial assets.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Caritas Australia's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

Revenue recognised under AASB 15 is measured at the amount which Caritas Australia expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

Note 2. Material accounting policy information (continued)

Grant funding that contain specific conditions on the use of those funds are recognised as and when Caritas Australia satisfies its performance obligations by providing those goods and services. A contract liability is recognised for unspent grant funds for which a refund obligation exists in relation to the funding period. General grants that do not impose specific performance obligations on Caritas Australia are recognised as income when Caritas Australia obtains control of those funds, which is usually on receipt.

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.

Donations are recognised at the time the pledge is made.

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).

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*.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in Caritas Australia's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in Caritas Australia's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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.

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.

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

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

Note 2. Material accounting policy information (continued)

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 the statement of income and expenditure.

Classification of financial assets

Financial assets recognised by Caritas Australia are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether Caritas Australia 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.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and Caritas Australia has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

Caritas Australia recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. The loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Financial assets at fair value

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss.

Classification of financial liabilities

All financial liabilities recognised by Caritas Australia are subsequently measured at amortised cost.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The carrying amount of property, 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.

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.

Note 2. Material accounting policy information (continued)

The depreciable amount of property, plant and equipment 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
Property and leasehold improvements	10% or shorter over the life of the lease
Motor vehicles	20%
Office equipment	10%-33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting 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.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to Caritas Australia. Gains and losses between the carrying amount and the disposal proceeds are taken to statement of income and expenditure.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where Caritas Australia expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Short-term leases and leases of low-value assets

Caritas Australia has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. Caritas Australia recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets

Software

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 2-15 years. The estimated useful life varies and as a result the amortisation method is reviewed at the end of each annual reporting period.

Note 2. Material accounting policy information (continued)

Impairment of non-financial assets

At each reporting date, Caritas Australia reviews the carrying values of its non-financial 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 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.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to Caritas Australia prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent Caritas Australia's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when Caritas Australia recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before Caritas Australia has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Caritas Australia's incremental borrowing rate.

Caritas Australia determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to statement of income and expenditure if the carrying amount of the right-of-use asset is fully written down.

At inception or on modification of a contract that contains a lease component, Caritas Australia allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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 wholly 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 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.

Note 2. Material accounting policy information (continued)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

Other financial assets are measured at fair value which 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.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Accumulated Funds Available for Future Use

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

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.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by Caritas Australia for the annual reporting period ended 30 June 2025. Caritas Australia has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

Caritas Australia is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

Caritas Australia determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

Caritas Australia assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to Caritas Australia and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue and other income

	2025	2024
	\$	\$
<i>Revenue from government and other grants ^(a)</i>		
Government grants	10,338,651	8,991,541
Other Australian	4,174,604	4,352,615
Other overseas	83,333	104,165
	<u>14,596,588</u>	<u>13,448,321</u>
<i>Other revenue ^(a)</i>		
Donations and gifts - monetary	24,224,559	22,936,526
Legacies and bequests	8,353,249	2,850,902
	<u>32,577,808</u>	<u>25,787,428</u>
<i>Investment and other income</i>		
Interest - other corporation	62,958	448,215
Dividends - other corporations	870,881	838,649
Other income	497,553	243,261
Gain on financial assets at fair value through profit or loss	1,308,433	1,013,213
	<u>2,739,825</u>	<u>2,543,338</u>
Total revenue and other income	<u><u>49,914,221</u></u>	<u><u>41,779,087</u></u>

Note 4. Revenue and other income (continued)

(a) Revenue aggregation under AASB 9 Revenue from grants and AASB 15 Revenue from contracts with customers and by timing of transfer of goods or services to customers:

	2025	2024
	\$	\$
<i>Revenue recognised under:</i>		
AASB 9 Revenue from grants	14,596,588	13,448,321
AASB 15 Revenue from contracts with customers	32,577,808	25,787,428
	<u>47,174,396</u>	<u>39,235,749</u>
<i>Revenue by timing of transfer of goods or services to customers:</i>		
Goods/services transferred at a point in time	32,577,808	25,787,428
Goods/services transferred over time	14,596,588	13,448,321
	<u>47,174,396</u>	<u>39,235,749</u>

Note 5. Expenses

	2025	2024
	\$	\$
Excess/(shortfall) of revenue over expenditure includes the following specific expenses:		
Depreciation - Property, plant and equipment	184,128	204,393
Depreciation - Right-of-use asset	341,419	361,273
Amortisation - Intangible assets	166,295	155,442
	<u>691,842</u>	<u>721,108</u>
<i>Finance costs</i>		
Interest and finance charges - other	-	19,113
Interest and finance charges paid/payable on lease liabilities	86,333	98,997
	<u>86,333</u>	<u>118,110</u>
<i>Leases</i>		
Short-term lease payments	205,352	185,393
<i>Superannuation expense</i>		
Defined contribution superannuation expense	1,003,947	1,264,028
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	10,085,872	10,277,273

Note 6. Cash and cash equivalents

	2025	2024
	\$	\$
<i>Current assets</i>		
Cash at bank and in hand	6,105,152	3,236,895
Short-term bank deposits	12,865,932	9,399,791
	<u>18,971,084</u>	<u>12,636,686</u>

Note 7. Other financial assets

	2025 \$	2024 \$
<i>Non-current assets</i>		
<i>Financial assets at fair value through profit or loss</i>		
Listed shares	2,488	4,234,662
Managed funds	14,825,759	13,179,343
	<u>14,828,247</u>	<u>17,414,005</u>

Refer to note 20 for further information on fair value measurement.

Note 8. Property, plant and equipment

	2025 \$	2024 \$
<i>Non-current assets</i>		
Property and leasehold improvements - at cost	909,422	909,422
Less: Accumulated depreciation	(129,428)	(81,428)
	<u>779,994</u>	<u>827,994</u>
Motor vehicles - at cost	250,256	327,453
Less: Accumulated depreciation	(250,256)	(316,313)
	<u>-</u>	<u>11,140</u>
Office equipment - at cost	600,627	588,087
Less: Accumulated depreciation	(425,840)	(303,053)
	<u>174,787</u>	<u>285,034</u>
	<u>954,781</u>	<u>1,124,168</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Property and leasehold Improvements \$	Motor vehicles \$	Office equipment \$	Total \$
Balance at 1 July 2023	867,431	31,711	414,294	1,313,436
Additions	7,950	-	7,175	15,125
Depreciation expense	(47,387)	(20,571)	(136,435)	(204,393)
Balance at 30 June 2024	827,994	11,140	285,034	1,124,168
Additions	-	-	17,296	17,296
Disposals	-	(848)	(1,707)	(2,555)
Depreciation expense	(48,000)	(10,292)	(125,836)	(184,128)
Balance at 30 June 2025	<u>779,994</u>	<u>-</u>	<u>174,787</u>	<u>954,781</u>

Note 9. Right-of-use assets

Caritas Australia Limited leases an office premise which is for a period of 8 years. There are no extension and termination options included in the lease.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leased building \$
Balance at 1 July 2023	2,352,886
Depreciation expense	<u>(361,273)</u>
Balance at 30 June 2024	1,991,613
Depreciation expense	<u>(341,419)</u>
Balance at 30 June 2025	<u><u>1,650,194</u></u>

For AASB 16 Lease disclosures refer to:

- note 5 for interest on lease liabilities, depreciation on right-of-use assets and short-term and low-value assets lease payments;
- note 13 for lease liabilities at the reporting date;
- note 19 for the maturity analysis of lease liabilities; and statement of cash flows for repayment of lease liabilities.

Note 10. Intangible assets

	2025 \$	2024 \$
<i>Non-current assets</i>		
Computer software - at cost	1,647,738	1,647,738
Less: Accumulated amortisation	<u>(828,939)</u>	<u>(662,644)</u>
	<u><u>818,799</u></u>	<u><u>985,094</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Computer software \$
Balance at 1 July 2023	1,061,297
Additions	79,239
Amortisation expense	<u>(155,442)</u>
Balance at 30 June 2024	985,094
Amortisation expense	<u>(166,295)</u>
Balance at 30 June 2025	<u><u>818,799</u></u>

Note 11. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	275,976	828,369
Sundry payables and accrued expenses	641,973	559,320
Other payables - Salary sacrifice	30,170	34,187
	<u>948,119</u>	<u>1,421,876</u>

Note 12. Contract liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Contract liabilities	<u>1,730,421</u>	<u>955,655</u>

	2025 \$	2024 \$
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Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	955,655	1,158,944
Payments received in advance	14,950,575	13,571,990
Transfer to revenue - performance obligation satisfied in previous periods	(14,175,809)	(13,775,279)
Closing balance	<u>1,730,421</u>	<u>955,655</u>

Contract liabilities relate to amounts received in advance of completion of the satisfaction of the relevant performance obligations. Included in this amount is \$1,730,421 (2024: \$549,396) relating to performance obligations which had not yet been satisfied in the current year and will be satisfied in the following year.

	2025 \$	2024 \$
With 6 months	1,730,421	253,941
6 to 12 months	-	295,455
	<u>1,730,421</u>	<u>549,396</u>

Note 13. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Lease liability	<u>332,560</u>	<u>301,341</u>
<i>Non-current liabilities</i>		
Lease liability	<u>1,599,347</u>	<u>1,931,906</u>
	<u>1,931,907</u>	<u>2,233,247</u>

Refer to note 19 for further information on contractual maturity.

Note 14. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	434,907	902,078
Long service leave	196,702	506,894
Overseas staff benefits	116,384	102,305
	<u>747,993</u>	<u>1,511,277</u>
<i>Non-current liabilities</i>		
Long service leave	224,749	230,449
	<u>972,742</u>	<u>1,741,726</u>

Note 15. Reserves

Caritas Australia Limited 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.

	2025 \$	2024 \$
Specified Purpose Reserve ^(a)	2,126,166	2,126,166
Committed Funds Reserve ^(b)	15,075,750	14,460,636
Financial Assets Reserve ^(c)	2,746,818	2,350,425
	<u>19,948,734</u>	<u>18,937,227</u>

(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.

(b) Committed Funds Reserve

Committed Funds Reserve comprises of Caritas Australia Committed Expenditure Reserve and the Caritas Foundation Reserve.

Caritas Australia Committed Expenditure 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 lease agreement.

Caritas Foundation Reserve

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.

(c) Financial Assets Reserve

Financial Assets Reserve records the mark to market movement in financial assets at fair value through other comprehensive income held Caritas Australia. The fair value movement of financial assets at fair value through profit or loss are initially recognised in profit or loss and subsequently transferred to the Financial Assets Reserve at the year end.

Note 15. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Specified Purpose Reserve \$	Committed Funds Reserve \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2023	5,419,011	14,265,689	1,531,751	21,216,451
Revaluation increment – financial assets	-	-	818,674	818,674
Transfer to the reserve	2,850,300	602,626	-	3,452,926
Transfer from the reserve	(6,143,145)	(407,679)	-	(6,550,824)
Balance at 30 June 2024	2,126,166	14,460,636	2,350,425	18,937,227
Revaluation increment – financial assets	-	-	396,393	396,393
Transfer to the reserve	-	1,790,689	-	1,790,689
Transfer from the reserve	-	(1,175,575)	-	(1,175,575)
Balance at 30 June 2025	<u>2,126,166</u>	<u>15,075,750</u>	<u>2,746,818</u>	<u>19,948,734</u>

Note 16. Accumulated funds available for future use

	2025 \$	2024 \$
Accumulated funds available for future use at the beginning of the financial year	9,892,243	15,807,537
Excess/(shortfall) of revenue over expenditure for the year	3,174,035	(8,226,956)
Transfer (to)/from reserves	(461,316)	2,311,662
Accumulated funds available for future use at the end of the financial year	<u>12,604,962</u>	<u>9,892,243</u>

Note 17. 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 period are:

The Board of Directors do not receive any compensation for their roles at Caritas Australia.

Name	Position	Appointed / Ceased	Meetings Attended
Dr Martin Laverty	Non-Executive Director	Appointed: 17 March 2020	6 of 6 meetings
Robert Fitzgerald AM	Chair	Appointed: 17 March 2020	6 of 6 meetings
Virginia Bourke	Non-Executive Director	Appointed: 17 March 2020	4 of 6 meetings
Christian Grima	Non-Executive Director	Appointed: 1 July 2020	6 of 6 meetings
Wendy Hughes	Non-Executive Director	Appointed: 1 July 2020	2 of 6 meetings
Archbishop Mark Coleridge	Non-Executive Director	Appointed: 8 November 2022	6 of 6 meetings
Matthew Clarke	Non-Executive Director	Appointed: 1 July 2023	6 of 6 meetings
Gerald Stack	Non-Executive Director	Appointed: 7 November 2023	6 of 6 meetings
Kirsten Sayers	Non-Executive Director	Appointed: 1 July 2023	1 of 1 meeting
Carolyn Ireland	Non-Executive Director	Resigned: 11 April 2025* Appointed: 31 May 2025	0 of 0 meeting

*includes a leave of absence from 12 August 2024 for a period of up to 6 months.

Note 17. Governance officers and senior management (continued)

Senior management	Position
Kirsten Sayers	Chief Executive Officer
Kerry Atkins	Corporate Services Director
Dan Skehan	Programs Director
Nicole Chehine	Advancement Director
Marina Bassil	People Director

(b) Senior management compensation:

	Short-term benefits		Post-employment benefits		Total
	Salary	Termination pay	Superannuation	Other	
	\$	\$	\$	\$	\$
2025					
Total compensation	1,022,951	378,548	126,585	-	1,528,084
					-
2024					
Total compensation	1,474,733	159,954	172,480	-	1,807,167

Note 18. Related party transactions

Name of individual	Name of organisation they controlled, jointly controlled or had significant influence over
Robert Fitzgerald	Director, Emerging Futures Collaborative Ltd Director, Social Ventures Australia Ltd Age Discrimination Commissioner of the Human Rights Commission Patron, Catalyst for Renewal Patron, Justice Connect Patron, Survivor & Mates Support Network
Virginia Bourke	Pro-Chancellor, Australian Catholic University Chair, Mercy Health Australia Director, Catholic Health Australia Member, AICD NFP Chairs Forum
Dr Martin Laverty	Chief Executive of Aruma Services Ltd and its subsidiaries Aruma Services NSW Ltd, Aruma Services Victoria Ltd, Aruma Foundation Ltd and Victorian Person-Centred Services Ltd. Council of University of Canberra Independent Health and Aged Care Pricing Authority
Matthew Clarke	Senior Executive, Deakin University Member of Centre Executive Committee for Humanitarian Leadership a joint initiative between Deakin University and Save the Children Australia. Researcher of Development and Humanitarian Action.
Carolyn Ireland	Non-Executive Director and Chair of the Finance, Audit and Infrastructure Committee at Melbourne Archdiocese Catholic Schools Non-Executive Director and Chair of the Investment Committee at Defence Health Ltd Non-Executive Director at Ross Trust Ltd Non-Executive Director at Xavier College Foundation Executive at Pact Group Ltd

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 19. Financial instruments and risk management

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

2025	Within 1 year \$	1-5 years \$	Over 5 years \$	Total contractual cash flow \$
Financial liabilities due for payment				
Trade and other payables	948,119	-	-	948,119
Contract liabilities	1,730,421	-	-	1,730,421
Lease liabilities	332,560	1,599,347	-	1,931,907
Total expected outflows	<u>3,011,100</u>	<u>1,599,347</u>	<u>-</u>	<u>4,610,447</u>

2024	Within 1 year \$	1-5 years \$	Over 5 years \$	Total contractual cash flow \$
Financial liabilities due for payment				
Trade and other payables	1,421,876	-	-	1,421,876
Contract liabilities	955,655	-	-	955,655
Lease liabilities	301,341	1,931,906	-	2,233,247
Total expected outflows	<u>2,678,872</u>	<u>1,931,906</u>	<u>-</u>	<u>4,610,778</u>

2025	Within 1 Year \$	1-5 Years \$	Over 5 Years \$	Total contractual cash flow \$
Financial assets cash flows realisable				
Cash and cash equivalents	18,971,084	-	-	18,971,084
Trade and other receivables	126,497	-	-	126,497
Other financial assets	-	14,828,247	-	14,828,247
Total anticipated inflows	<u>19,097,581</u>	<u>14,828,247</u>	<u>-</u>	<u>33,925,828</u>
Net inflow on financial instruments	<u>16,086,481</u>	<u>13,228,900</u>	<u>-</u>	<u>29,315,381</u>

2024	Within 1 Year \$	1-5 Years \$	Over 5 Years \$	Total contractual cash flow \$
Financial assets cash flows realisable				
Cash and cash equivalents	12,636,686	-	-	12,636,686
Trade and other receivables	178,587	-	-	178,587
Other financial assets	-	17,414,005	-	17,414,005
Total anticipated inflows	<u>12,815,273</u>	<u>17,414,005</u>	<u>-</u>	<u>30,229,278</u>
Net inflow on financial instruments	<u>9,804,173</u>	<u>15,814,658</u>	<u>-</u>	<u>25,618,831</u>

Note 19. Financial instruments and risk management (continued)

Credit risk

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

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 and foreign exchange risk as Caritas Australia is not materially exposed to fluctuations in interest rates or foreign currency rates.

Note 20. Fair value measurement

Fair value hierarchy

The following tables detail the Registered entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2025				
<i>Assets</i>				
Listed shares	2,488	-	-	2,488
Managed funds	14,326,979	498,780	-	14,825,759
Total assets	14,329,467	498,780	-	14,828,247
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2024				
<i>Assets</i>				
Listed shares	4,234,662	-	-	4,234,662
Managed funds	12,987,694	191,649	-	13,179,343
Total assets	17,222,356	191,649	-	17,414,005

There were no transfers between levels during the financial year.

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Pitcher Partners Sydney, the auditor of the Registered entity:

	2025	2024
	\$	\$
<i>Audit services - Pitcher Partners Sydney</i>		
Audit of the financial statements	59,970	60,000
<i>Other services - Pitcher Partners Sydney</i>		
Other assurance services	8,504	-
	<u>68,474</u>	<u>60,000</u>

Note 22. Charitable Fundraising Act 1991 (New South Wales)

The following information is provided to comply with relevant provisions of the *Charitable Fundraising Act 1991 (New South Wales)*.

The income statement gives a true and fair view with respect to fundraising appeals conducted by Caritas Australia. The fundraising provisions of the Act as they apply to Caritas Australia's fundraising in New South Wales have been complied with and the internal controls exercised are appropriate and effective in accounting for all income received by Caritas Australia from fundraising.

	2025			2024		
	Total income	Total fundraising direct expenses	Net income	Total income	Total fundraising direct expenses	Net income
	\$	\$	\$	\$	\$	\$
Fundraising information						
<i>Donations and gifts</i>						
Monetary	24,224,559	7,657,655	16,566,904	22,936,526	8,163,723	14,772,803
	24,224,559	7,657,655	16,566,904	22,936,526	8,163,723	14,772,803
Legacies and bequests	8,353,249	-	8,353,249	2,850,902	135,743	2,715,159
<i>Grants:</i>						
DFAT	10,338,651	-	10,338,651	8,991,541	182,684	8,808,857
Other Australian	4,174,604	35,969	4,138,635	4,352,615	-	4,352,615
Other overseas	83,333	-	83,333	104,165	-	104,165
	<u>14,596,588</u>	<u>35,969</u>	<u>14,560,619</u>	<u>13,448,321</u>	<u>182,684</u>	<u>13,265,637</u>
Investment income	933,838	-	933,838	1,286,864	-	1,286,864
Other income	1,805,987	-	1,805,987	1,256,474	-	1,256,474
Total	<u>49,914,221</u>	<u>7,693,624</u>	<u>42,220,597</u>	<u>41,779,087</u>	<u>8,482,150</u>	<u>33,296,937</u>

Note 22. Charitable Fundraising Act 1991 (New South Wales) (continued)

	Total indirect expenses	
	2025	2024
	\$	\$
Program administration and other		
International Programs		
Funds to international programs	26,042,255	26,536,329
Program support costs	4,114,323	4,361,400
Community education	6,502,009	7,073,050
Accountability and administration	1,491,354	2,521,609
Domestic program expenditure	896,621	1,031,505
	<u>39,046,562</u>	<u>41,523,893</u>
	2025	2024
	\$	\$
Total income	49,914,221	41,779,087
Total expenditure	<u>(46,740,186)</u>	<u>(50,006,043)</u>
Operating surplus/(shortfall)	<u>3,174,035</u>	<u>(8,226,956)</u>

Note 23. Reconciliation of cash flow from operating activities with (shortfall)/ excess of revenue over expenditure

	2025	2024
	\$	\$
Shortfall of revenue over expenditure for the year	3,174,035	(8,226,956)
Adjustments for non-cash flows:		
Depreciation and amortisation	691,842	692,548
Net loss on disposal of property, plant and equipment	-	28,559
Net fair value gain on financial assets	(1,441,666)	(714,717)
Bequest-shares received	-	(238,672)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	52,090	157,543
Decrease in prepayments	64,538	156,058
Decrease in trade and other payables	(473,757)	(621,763)
Increase in contract liabilities	774,766	-
Decrease in employee benefits	(768,984)	(164,764)
Net cash from/(used in) operating activities	<u>2,072,864</u>	<u>(8,932,164)</u>

Note 24. Changes in liabilities arising from financing activities

	Leases \$
Balance at 1 July 2023	2,541,929
Net cash used in financing activities	<u>(308,682)</u>
Balance at 30 June 2024	2,233,247
Net cash used in financing activities	<u>(301,340)</u>
Balance at 30 June 2025	<u>1,931,907</u>

Note 25. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect Caritas Australia's operations, the results of those operations, or Caritas Australia's state of affairs in future financial years.