

FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2023



Caritas
AUSTRALIA

End poverty
Promote justice
Uphold dignity

Caritas Australia Limited

Responsible Entity Declaration

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

- (a) the financial statements and notes that are set out on pages 7 to 31 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 the Caritas Australia Limited's financial position as at 30 June 2023 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 2013*.
- (b) 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;
- (c) The accounts give a true and fair view of all income and expenditure with respect to fundraising appeals;
- (d) 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
- (e) 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 2013*.



Wendy Hughes
Chair – Audit & Risk Committee
Dated this 13th November 2023

Pitcher Partners Sydney Partnership

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Sydney NSW 2000

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**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 2023 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

13 November 2023

Pitcher Partners Sydney Partnership

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**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 2023, 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 2023, and notes to the financial statements, including a summary of significant 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 2023 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 2023 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 skepticism 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 2023, in all material respects, in accordance with:
 - i. Sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii. Sections 10(6) and (11) of the *NSW Charitable Fundraising Regulations 2015*;
 - iii. The *WA Charitable Collections Act 1946*; and
 - iv. 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 2023 has been properly accounted for and applied, in all material respects, in accordance with the abovementioned Acts and Regulations.

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



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

A handwritten signature in black ink, appearing to read "John Gavljak".

John Gavljak
Partner

13 November 2023

A handwritten signature in black ink, appearing to read "Pitcher Partners".

Pitcher Partners
Sydney

CARITAS AUSTRALIA LIMITED
ABN 90 970 605 069

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 \$	2022 \$
REVENUE			
Donations and gifts:			
Monetary		23,336,595	24,330,149
Non-monetary		5,691	25,874
Legacies and bequests		4,805,670	3,320,162
Grants:			
DFAT		7,803,424	7,379,195
Other Australian		6,660,941	9,302,051
Other overseas		145,273	89,410
Investment income		2,520,168	1,073,518
Other income		469,165	362,241
TOTAL REVENUE	2	45,746,927	45,882,600
EXPENDITURE			
International Aid and Development Programs			
Expenditure			
International programs:			
Funds to international programs		31,214,359	30,907,332
Program support costs		5,016,777	5,326,573
Community education		5,986,334	4,762,208
Fundraising costs:			
Public		7,324,657	6,778,611
Government, multilateral and private		177,839	128,574
Accountability and administration		3,418,653	3,508,838
Non-monetary expenditure		5,691	25,874
Total International Aid and Development Programs		53,144,310	51,438,010
Expenditure		53,144,310	51,438,010
Expenditure for international political or religious proselytisation programs		-	-
Domestic programs expenditure		1,436,486	1,248,904
TOTAL EXPENDITURE	3	54,580,796	52,686,914
(DEFICIT) / EXCESS OF REVENUE OVER EXPENDITURE		(8,833,869)	(6,804,314)

No Emergency Appeal generated 10 per cent or more of the total income for the period 1 July 2022 to 30 June 2023. During the period 1 July 2022 to 30 June 2023, Caritas Australia received no income for international political or religious proselytisation programs.

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA LIMITED
ABN 90 970 605 069

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	Year ended 30 Jun 2023	Year ended 30 Jun 2022
		\$	\$
(Deficit) / Excess of revenue over expenditure		(8,833,869)	(6,804,314)
Other comprehensive income:			
Net (Loss) / Gain on revaluation of financial assets		-	(84,261)
TOTAL COMPREHENSIVE (DEFICIT)/INCOME FOR THE PERIOD		(8,833,869)	(6,888,575)

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA LIMITED
ABN 90 970 605 069

BALANCE SHEET AS AT 30 JUNE 2023

	Note	30 June 2023 \$	30 June 2022 \$
CURRENT ASSETS			
Cash and cash equivalents	4	22,492,687	34,867,227
Trade and other receivables		336,130	340,624
Prepayments		<u>1,007,880</u>	<u>1,270,611</u>
TOTAL CURRENT ASSETS		<u>23,836,697</u>	<u>36,478,462</u>
NON-CURRENT ASSETS			
Other financial assets	5	15,907,385	13,301,165
Property, plant and equipment	6	1,313,436	654,086
Right-of-use assets	7	2,352,886	2,038,046
Intangible assets	8	<u>1,061,297</u>	<u>1,060,781</u>
TOTAL NON-CURRENT ASSETS		<u>20,635,004</u>	<u>17,054,078</u>
TOTAL ASSETS		<u>44,471,701</u>	<u>53,532,540</u>
CURRENT LIABILITIES			
Trade and other payables	9	1,892,177	1,645,638
Contract Liabilities	10	1,158,944	1,960,700
Lease liabilities	7	308,682	814,664
Short term provisions	11	<u>1,631,828</u>	<u>1,750,210</u>
TOTAL CURRENT LIABILITIES		<u>4,991,631</u>	<u>6,171,212</u>
NON-CURRENT LIABILITIES			
Lease liabilities	7	2,233,247	1,366,285
Long term provisions	11	<u>222,835</u>	<u>137,186</u>
TOTAL NON-CURRENT LIABILITIES		<u>2,456,082</u>	<u>1,503,471</u>
TOTAL LIABILITIES		<u>7,447,713</u>	<u>7,674,683</u>
NET ASSETS		<u>37,023,988</u>	<u>45,857,857</u>
EQUITY			
Reserves	12	21,216,451	19,730,375
Accumulated funds available for future use	13	<u>15,807,537</u>	<u>26,127,482</u>
TOTAL EQUITY		<u>37,023,988</u>	<u>45,857,857</u>

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA LIMITED
ABN 90 970 605 069

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022

	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 30 June 2021		33,168,664	13,392,661	3,769,833	2,495,884	52,827,042
Excess of expenditure over revenue		(6,804,314)	-	-	-	(6,804,314)
Other comprehensive income for the year	12(c)	100,977	-	-	(185,238)	(84,261)
<i>Transfers (to) from reserves:</i>						
Financial Assets Reserves	12(c)	(80,774)	-	-	(1,583,079)	(1,663,853)
Committed Funds Reserves	12(b)	1,838,967	(255,724)	-	-	1,583,243
Specified Purpose Reserves	12(a)	(2,096,038)	-	2,096,038	-	-
Balance at 30 June 2022		<u>26,127,482</u>	<u>13,136,937</u>	<u>5,865,871</u>	<u>727,567</u>	<u>45,857,857</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

Balance at 30 June 2022		26,127,482	13,136,937	5,865,871	727,567	45,857,857
Excess of expenditure over revenue		(8,833,869)	-	-	-	(8,833,869)
Other comprehensive income for the year		-	-	-	-	-
<i>Transfers (to) from reserves:</i>						
Financial Assets Reserves	12(c)	(804,184)	-	-	804,184	-
Committed Funds Reserves	12(b)	(1,128,752)	1,128,752	-	-	-
Specified Purpose Reserves	12(a)	446,860	-	(446,860)	-	-
Balance at 30 June 2023		<u>15,807,537</u>	<u>14,265,689</u>	<u>5,419,011</u>	<u>1,531,751</u>	<u>37,023,988</u>

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA LIMITED
ABN 90 970 605 069

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants and donations received		42,428,522	44,850,683
Payments for projects and to suppliers and employees		(53,812,208)	(50,993,434)
GST (net) remitted to the ATO		(430,322)	(227,868)
Dividends received		621,371	873,997
Interest received		<u>516,960</u>	<u>73,690</u>
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	15	<u>(10,675,677)</u>	<u>(5,422,932)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for leasehold improvements, plant and equipment		(850,781)	(8,018)
Payments for intangible software cost		(142,932)	(195,154)
Payments for investments		(440,673)	(611,576)
Receipts from investments		<u>36,600</u>	<u>-</u>
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		<u>(1,397,786)</u>	<u>(814,748)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities		<u>(301,077)</u>	<u>(767,728)</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(301,077)</u>	<u>(767,728)</u>
Net (decrease)/increase in cash held		(12,374,540)	(7,005,408)
Cash at beginning of year		<u>34,867,227</u>	<u>41,872,635</u>
CASH AT END OF FINANCIAL PERIOD	4	<u><u>22,492,687</u></u>	<u><u>34,867,227</u></u>

The accompanying notes form part of these financial statements.

CARITAS AUSTRALIA LIMITED
ABN 90 970 605 069

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies

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 and the Australian Council for International Development (ACFID) Code of Conduct and the Corporations Act 2001, 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.

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 Board to exercise its judgement in the process of applying Caritas Australia's' 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.

CARITAS AUSTRALIA LIMITED
ABN 90 970 605 069

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

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

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Caritas Australia allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property Caritas Australia has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Caritas Australia recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

(c) Leases (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to Caritas Australia by the end of the lease term or the cost of the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Caritas Australia's incremental borrowing rate. Generally, Caritas Australia uses its incremental borrowing rate as the discount 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 included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that Caritas Australia is reasonably certain to exercise, lease payments in an optional renewal period if Caritas Australia is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Caritas Australia is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Caritas Australia's estimate of the amount expected to be payable under a residual value guarantee, if Caritas Australia changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Caritas Australia presents right-of-use assets that do not meet the definition of investment property in right-of-use assets and lease liabilities in the statement of financial position.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

(c) Leases (continued)

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.

(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 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 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.

Classification of financial liabilities

All financial liabilities recognised by Caritas Australia 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

(d) Financial Instruments(continued)

another party and the fair value of consideration paid including the transfer of non-cash assets or liabilities is recognised in income and expenditure.

(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 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

(g) Foreign Currency Transactions and Balances (continued)

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.

(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 corporate 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 and Other Income

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

(k) Revenue and Other Income (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).

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

(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

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company 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.

Key estimates — Useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life 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.

Key estimates – Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 2: Revenue and Other Income

	2023	2022
	\$	\$
Revenue from Government and other grants		
Government grants	7,803,424	7,379,195
Other Australian	6,660,941	9,302,051
Other overseas	145,273	89,410
	<u>14,609,638</u>	<u>16,770,656</u>
Other revenue		
Donations and gifts - monetary	23,336,595	24,330,149
Gifts in kind - non-monetary	5,691	25,874
Legacies and bequests	4,805,670	3,320,162
	<u>28,147,956</u>	<u>27,676,185</u>
Other income		
Interest - other corporations	642,716	101,530
Dividends - other corporations	724,495	971,988
Other income	469,165	450,498
(Loss) / Gain on Disposal of Fixed Assets	-	(88,257)
Gain on Financial Assets at fair value through profit & loss	1,152,957	-
	<u>2,989,333</u>	<u>1,435,759</u>
Total Revenue and Other Income	<u><u>45,746,927</u></u>	<u><u>45,882,600</u></u>

Note 3: Expenditure

Expenditure includes the following expenses:

	2023	2022
	\$	\$
Expenses		
Salaries	10,113,442	9,327,728
Superannuation	1,205,259	1,035,912
Depreciation and Amortisation	820,327	247,125
Finance Costs	119,490	158,450
Loss on Financial Assets at fair value through profit & loss	249,696	1,489,418

Note 4: Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	1,740,853	1,745,998
Short-term bank deposits	20,751,834	33,121,229
Total Cash and Cash Equivalents	<u><u>22,492,687</u></u>	<u><u>34,867,227</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 5: Other Financial Assets – Non Current

	2023	2022
	\$	\$
Financial assets at fair value through other comprehensive income:		
- Listed shares	-	2,554,966
Financial assets at fair value through profit or loss:		
- Listed shares	3,617,404	-
- Managed funds	12,289,981	10,746,199
Total Other Financial Assets	15,907,385	13,301,165

Note 6: Property, Plant and Equipment

	2023	2022
	\$	\$
Office Equipment:		
At cost	580,912	91,604
Accumulated depreciation	(166,618)	(47,637)
	414,294	43,967
Motor Vehicles:		
At cost	356,012	356,012
Accumulated depreciation	(324,301)	(285,893)
	31,711	70,119
Property & Leasehold Improvements:		
At cost	901,472	540,000
Accumulated amortisation	(34,041)	-
	867,431	540,000
Total Property, Plant and Equipment	1,313,436	654,086

(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 period.

	Office Equipment	Motor Vehicles	Property & Leasehold Improvements	Total
	\$	\$	\$	\$
Carrying amount at 30 June 2021	126,508	119,351	628,644	874,503
Additions	8,018	-	-	8,018
Disposals	(82,541)	-	(5,716)	(88,257)
Depreciation and amortisation expense	(8,018)	(49,232)	(82,928)	(140,178)
Carrying amount at 30 June 2022	43,967	70,119	540,000	654,086
Additions	489,309	-	361,472	850,781
Disposals	-	-	-	-
Depreciation and amortisation expense	(118,981)	(38,408)	(34,041)	(191,430)
Carrying amount at 30 June 2023	414,294	31,711	867,431	1,313,436

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 7: Leases

Caritas Australia leases an office premise under operating leases. The leases typically run for a period of 8 years. There are no extension and termination options included in the leases.

Information about leases for which Caritas Australia is a lessee is presented below.

(a) Amounts recognised in the balance sheet

	2023	2022
	\$	\$
Right of use assets		
Balance at 1 July	2,038,046	2,833,884
Depreciation charge for the period	(486,481)	(795,838)
Termination of Lease – Alexandria Premises	(1,930,034)	-
New Lease – Mascot Premises	2,731,355	-
	2,352,886	2,038,046
Lease liabilities		
Current	308,682	814,664
Non-Current	2,233,247	1,366,285

(b) Amounts recognised in profit or loss

	2023	2022
	\$	\$
Interest on lease liabilities	133,847	57,750
Other rental arrangements	308,419	220,158

(c) Amounts recognised in statement of cash flows

The total cash outflow for capitalised leases during the financial period was \$440,343.

Note 8: Intangibles – Non Current

	2023	2022
	\$	\$
At cost	1,568,499	1,425,567
Accumulated amortisation	(507,202)	(364,786)
	1,061,297	1,060,781
Total Intangibles – Non Current	1,061,297	1,060,781

(b) Movements in Carrying Amounts

Movement in the carrying amounts between the beginning and end of the current financial period.

	Intangibles	Total
	\$	\$
Carrying amount at 30 Jun 2021	972,574	983,677
Additions	195,154	50,000
Disposals	-	-
Depreciation and amortisation expense	(106,947)	(61,103)
Carrying amount at 30 June 2022	1,060,781	972,574
Additions	142,932	195,154
Disposals	-	-
Depreciation and amortisation expense	(142,416)	(106,947)
Carrying amount at 30 June 2023	1,061,297	1,060,781

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 9: Trade and other payables

	Note	2023 \$	2022 \$
Trade payables		1,390,339	1,046,723
Other payables – Salary Sacrifice		30,607	36,918
Sundry payables and accrued expenses		<u>471,231</u>	<u>561,997</u>
		<u>1,892,177</u>	<u>1,645,638</u>
Financial liabilities at amortised cost classified as trade and other payables:			
- Total current		<u>1,892,177</u>	<u>1,645,638</u>
Financial liabilities as trade and other payables	17	<u><u>1,892,177</u></u>	<u><u>1,645,638</u></u>

Note 10: Contract Liabilities

	2023 \$	2022 \$
Contract Liabilities	<u>1,158,944</u>	<u>1,960,700</u>
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	1,960,700	3,336,507
Payments received in advance	14,352,764	15,653,822
Transfer to revenue - performance obligations satisfied in previous periods	<u>(15,154,520)</u>	<u>(17,029,629)</u>
Closing balance	<u><u>1,158,944</u></u>	<u><u>1,960,700</u></u>

Contract liabilities relate to amounts received in advance of completion of the satisfaction of the relevant performance obligations. Included in this amount is \$545,904 (2022: \$222,894) relating to performance obligations which had not yet been satisfied in the current year and will be satisfied in the following year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 11: Provisions

	Short Term Employee Benefits	Long Term Employee Benefits	Total
	\$	\$	\$
Annual Leave	977,246	-	977,246
Long Service Leave	575,293	222,835	798,128
Overseas Staff Benefits	79,289	-	79,289
Balance at 30 June 2023	<u>1,631,828</u>	<u>222,835</u>	<u>1,854,663</u>
Analysis of total provisions		2023	2022
		\$	\$
Current		1,631,828	1,750,210
Non-Current		222,835	137,186
		<u>1,854,663</u>	<u>1,887,396</u>

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	2023	2022
		\$	\$
Specified Purpose Reserve	12(a)	5,419,011	5,865,871
Committed Funds Reserve	12(b)	14,265,689	13,136,937
Financial Assets Reserve	12(c)	1,531,751	727,567
Total Reserves		<u>21,216,451</u>	<u>19,730,375</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.

	2023	2022
	\$	\$
<i>Specified Purpose Reserve:</i>		
Opening balance	5,865,871	3,769,833
Transfers to the reserve	3,630,210	5,665,073
Transfers from the reserve	(4,077,070)	(3,569,035)
Closing balance	<u>5,419,011</u>	<u>5,865,871</u>
Total Specified Purpose Reserve	<u>5,419,011</u>	<u>5,865,871</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

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.

	2023	2022
	\$	\$
<i>Caritas Australia Committed Expenditure Reserve:</i>		
Opening balance	2,244,126	3,089,287
Transfers to the reserve	688,483	-
Transfers from the reserve	-	(845,161)
Closing balance	2,932,609	2,244,126

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.

	2023	2022
	\$	\$
<i>Caritas Foundation Reserve:</i>		
Opening balance	10,892,811	10,392,661
Transfers to the reserve	440,269	500,150
Transfers from the reserve	-	-
Closing balance	11,333,080	10,892,811
 Total Committed Funds Reserve	 14,265,689	 13,136,937

(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. 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.

	2023	2022
	\$	\$
<i>Financial Assets Reserve:</i>		
Opening balance	727,567	2,495,884
Revaluation increment/(decrement) – financial assets	804,184	(1,768,317)
Transfer from Accumulated Funds Available for Future Use	-	-
Closing balance	1,531,751	727,567

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 13: Accumulated Funds Available for Future Use

	2023	2022
	\$	\$
Accumulated funds available at beginning of period	26,127,482	33,168,664
Excess of expenditure over revenue	(8,833,869)	(6,804,314)
Transfers to /(from) reserves	(1,486,076)	(236,868)
Accumulated funds available at end of year	<u>15,807,537</u>	<u>26,127,482</u>

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 period are:

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

Director Information 2022 – 2023 Financial Year

Name	Position	Appointed / Ceased	Meetings Attended
Dr Martin Laverty	Director, non-executive	Appointed: 17 March 2020	3 of 5
Robert Fitzgerald AM	Chair	Appointed: 17 March 2020	5 of 5
Virginia Bourke	Director, non-executive	Appointed: 17 March 2020	3 of 5
Christine Grima	Director, non-executive	Appointed: 1 July 2020	5 of 5
Patricia Faulkner AO	Director, non-executive	Appointed: 1 July 2020	4 of 5
Wendy Hughes	Director, non-executive	Appointed: 1 July 2020	3 of 5
Hannah Rose	Company Secretary	Appointed: 2 February 2022	5 of 5
Archbishop Mark Coleridge	Director, non-executive	Appointed: 8 November 2022	4 of 4
John Watkins AM	Director, non-executive	Appointed: 1 December 2020 Ceased: 1 December 2022	2 of 2
Jack de Groot	Director, non-executive	Appointed: 1 July 2020	4 of 5

Senior

Management

Ms Kirsty Robertson
Mr. Rocky Naickar
Mr. Dan Skehan
Mr. Richard Landels
Ms. Alicia Benardos
Mr. Michael McGirr
Ms. Leigh Matthews

Position

Chief Executive Officer
Chief Finance & Operations Officer
Programs Director
Advancement Director
People Director
Mission Director
Impact Director

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NOTES TO THE FINANCIAL STATEMENTS
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Note 14: Governance Officers and Senior Management (continued)

(b) Senior Management Compensation:

	Short-term benefits		Post Employment Benefits		Total
	Salary	Termination Pay	Superannuation	Other	
	\$	\$	\$	\$	\$
2023					
Total Compensation	1,365,488	-	153,733	-	1,519,221
2022					
Total Compensation	1,273,796	56,230	137,772	-	1,467,798

Note 15: Cash Flow Information

Reconciliation of Cash Flow from Operating Activities with (Shortfall) Excess of Revenue over Expenditure	2023	2022
	\$	\$
(Shortfall) Excess of revenue over expenditure for period	(8,833,869)	(6,804,314)
Non-cash flows:		
Depreciation and amortisation	820,327	1,042,962
Fair value adjustment to financial assets	(1,486,379)	2,212,906
Bequest-Shares received	(855,033)	-
Changes in assets and liabilities:		
Decrease / (Increase) in receivables	4,495	(123,095)
Decrease / (Increase) in prepayments	262,732	(514,133)
(Decrease) in payables	(529,160)	(1,075,213)
Increase / (Decrease) in provisions	(58,790)	(142,361)
(Decrease) in other liabilities	-	(19,684)
Cash flows from Operating Activities	<u>(10,675,677)</u>	<u>(5,422,932)</u>

Note 16: Related Party Transactions

Other than the amounts disclosed in Note 14, there were no other transactions nor any outstanding balances related to key management personnel and entities over which they have control or significant influence during the financial year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 17: Financial Risk Management

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	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities due for payment								
Trade and other payables	1,892,177	1,645,638	-	-	-	-	1,892,177	1,645,638
Contract Liabilities	1,158,944	1,960,700	-	-	-	-	1,158,944	1,960,700
Lease Liabilities	308,682	814,664	1,400,566	1,366,285	832,681	-	2,541,929	2,180,949
Total expected outflows	3,359,803	4,421,002	1,400,566	1,366,285	832,681	-	5,593,050	5,787,287

	Within 1 Year		1-5 Years		Over 5 Years		Total contractual cash flow	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets cash flows realisable								
Cash and Cash Equivalents	22,492,687	34,867,228	-	-	-	-	22,492,687	34,867,228
Trade and other receivables	336,130	340,624	-	-	-	-	336,130	340,624
Financial assets	-	-	15,907,385	13,301,165	-	-	15,907,385	13,301,165
Total anticipated inflows	22,828,817	35,207,852	15,907,385	13,301,165	-	-	38,736,202	48,509,017
Net inflow on financial instruments	19,469,014	30,786,850	14,506,819	11,934,880	(832,681)	-	33,143,152	42,721,730

(a) Credit Risk:

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 17: Financial Risk Management (continued)

(b) 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.

Note 18: Remuneration of Auditors

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

	2023	2022
	\$	\$
Audit Fees		
– Pitcher Partners	55,000	46,000
	<u>55,000</u>	<u>46,000</u>

Note 19: Change in Accounting Policy

Caritas Australia has not changed its accounting policy from the previous financial year except for as required by the new accounting standards as detailed in Note 1. All accounting is undertaken in compliance with the ACFID Code of Conduct.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 20: 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 the Company. The fundraising provisions of the Act as they apply to the Company'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 the Company from fundraising.

	2023	2023	2023	2022	2022	2022
	Total Income	Total Fundraising Direct Expenses	Net Income	Total Income	Total Fundraising Direct Expenses	Net Income
Fundraising Information						
Donations and Gifts						
Monetary	23,336,595	7,145,577	16,191,018	24,330,149	6,617,045	17,713,104
Non-monetary	5,691	-	5,691	25,874	-	25,874
	23,342,286	7,145,577	16,196,709	24,356,023	6,617,045	17,738,978
Legacies and bequests	4,805,670	179,080	4,626,590	3,320,162	161,566	3,158,596
Grants:						
DFAT	7,803,424	177,839	7,625,585	7,379,195	128,574	7,250,621
Other Australian	6,660,941	-	6,660,941	9,302,051	-	9,302,051
Other overseas	145,273	-	145,273	89,410	-	89,410
	14,609,638	177,839	14,431,799	16,770,656	128,574	16,642,082
Investment income	1,367,211	-	1,367,211	1,073,519	-	1,073,519
Other income	1,622,122	-	1,622,122	362,241	-	362,241
Total Net income Contribution	45,746,927	7,502,496	38,244,431	45,882,601	6,907,185	38,975,416
Program Administration and Other		Total Indirect Expenses			Total Indirect Expenses	
International Programs						
Funds to international programs		31,214,359			30,907,332	
Program support costs		5,016,777			5,326,573	
Community education		5,986,334			4,762,208	
Accountability & administration		3,418,653			3,508,838	
Non-monetary expenditure		5,691			25,874	
Domestic program expenditure		1,436,486			1,248,904	
		47,078,301			45,779,729	
Operating Surplus(Shortfall)	45,746,927	54,580,796	(8,833,869)	45,882,601	52,686,914	(6,804,313)

CARITAS AUSTRALIA LIMITED
ABN 90 970 605 069

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

Note 21: Events After the Reporting Date

Subsequent to the reporting date, no other matters or circumstances have arisen since 30 June 2023 which has significantly affected, or which may significantly affect the Caritas Australia's operations, the results of those operations or the Caritas Australia's state of affairs in future financial years.



End poverty
Promote justice
Uphold dignity

The Catholic Agency for International Aid and Development

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