



CATHOLICCARE ARCHDIOCESE OF MELBOURNE
ABN 42 795 179 778

FINANCIAL REPORT

YEAR ENDED 30 JUNE 2016

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**CATHOLICCARE ARCHDIOCESE OF MELBOURNE
REPRESENTATIVES' REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

In respect of the financial year ended 30 June 2016, the Representatives of CatholicCare Archdiocese of Melbourne submit the following report made out in accordance with a resolution of Representatives:

Representatives

The names of the representatives during the year ended 30 June 2016 are:

Mr John Sheldon, Chair	Fr. Joe Caddy EV for Social Services
Mr Dennis Torpy	Mr Richard Stone OAM, KSG (dec'd) –retired 09 Feb 2016
Fr. Kevin Mogg AM	Ms Patricia Quigley
Ms Bernadette Steele	Mr James McGarvey
Fr. Thang Vu	Mr Terry Healy
Professor Ruth Webber –retired 09 Feb 2016	Mr Kieran Walshe
Mr Chris Braithwaite –appointed 09 Feb 2016	Professor Sandra Jones –appointed 09 Feb 2016

The above representatives have held office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activity

The principal activity of CatholicCare in the course of the year was that of a Public Benevolent Institution providing services to families, in all their diversity, but in particular those that are marginalised as a result of poverty, disadvantage and other barriers to social inclusion.

Operating Result

Before bequests and property sale proceeds the operating result for the year was a surplus of \$330,026 (2015: surplus \$91,694). Including bequests and property sale proceeds the surplus was \$1,106,235 (2015: surplus \$542,958). The operating result for the year includes a capital profit of \$199,493 from the sale of 9 Kleine Street, Noble Park.

Events subsequent to Balance Date

CatholicCare sold its Access Program on 01 July 2016 to Access Programs Australia Ltd trading as AccessEAP for \$300,000. The representatives are not aware of any other matter that has arisen since the end of the financial year that is not dealt with in the report or accounts that has or may significantly affect the operations of CatholicCare, the results of those operations or the state of affairs of CatholicCare in subsequent years.

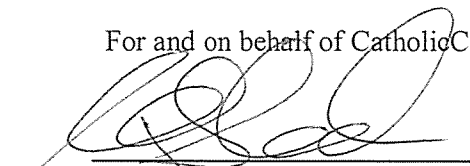
Significant Changes

No significant change in the nature of these activities occurred during the year.

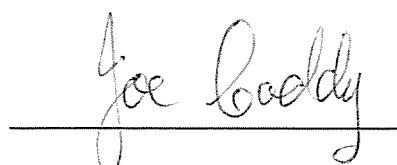
Representatives' Benefits

No representative has, during the course of the financial year received or become entitled to receive a benefit by reason of a contract made by CatholicCare with a Representative or with a firm of which he or she is a member, or with a company in which he or she has a substantial interest.

For and on behalf of CatholicCare Representatives:



John Sheldon
 REPRESENTATIVE
 Melbourne, 23 August 2016



Fr. Joe Caddy
 REPRESENTATIVE
 Melbourne, 23 August 2016

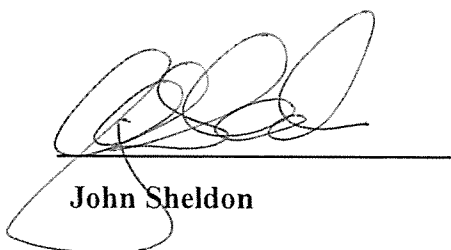
DECLARATION BY CATHOLICCARE REPRESENTATIVES

The Representatives have determined that CatholicCare is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

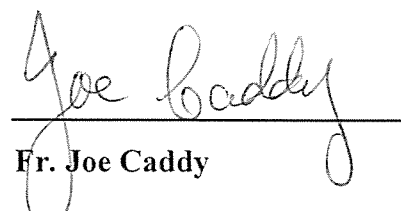
The Representatives declare that:

1. The financial statements and attached notes, as set out on pages 5 to 13 of this document are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - a. giving a true and fair view of CatholicCare's financial position as at 30 June 2016 and its performance for the financial year ended on that date, and
 - b. complying with the accounting policies as outlined in Note 1 and the Australian Charities and Not-for-profits Commission Regulation 2013; and
2. there are reasonable grounds to believe that CatholicCare will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board and signed for and on behalf of the Board by:



John Sheldon
REPRESENTATIVE
Melbourne, 23 August 2016



Fr. Joe Caddy
REPRESENTATIVE
Melbourne, 23 August 2016

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
OPERATING REVENUES			
Gifted Income		1,358,147	1,348,977
Grants		7,848,396	7,357,743
Earned Income		3,953,305	3,693,862
Programs Contributions		<u>1,943,345</u>	<u>2,486,473</u>
TOTAL OPERATING REVENUES		<u>15,103,193</u>	<u>14,887,055</u>
OPERATING EXPENSES			
Salaries & Associated Costs		11,357,153	11,323,492
Occupancy Costs		854,129	899,597
Depreciation/Amortisation		299,178	226,288
Other Service Costs		<u>2,262,707</u>	<u>2,345,984</u>
TOTAL OPERATING EXPENSES		<u>14,773,167</u>	<u>14,795,361</u>
OPERATING SURPLUS (before Bequests and Property Proceeds)		330,026	91,694
Bequests		563,058	451,264
Proceeds from Sale of Property		213,151	0
OPERATING SURPLUS (including Bequests and Property Proceeds)		<u>1,106,235</u>	<u>542,958</u>

The accompanying notes form part of these financial statements

BALANCE SHEET AT 30 JUNE 2016

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash at Bank	2	10,442,990	8,861,480
Trade and Other Receivables	3	1,517,359	614,961
Short Term Investments - Shares	4	617,514	664,327
TOTAL CURRENT ASSETS		<u>12,577,863</u>	<u>10,140,768</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	1,297,400	1,573,580
TOTAL NON-CURRENT ASSETS		<u>1,297,400</u>	<u>1,573,580</u>
TOTAL ASSETS		<u>13,875,263</u>	<u>11,714,348</u>
CURRENT LIABILITIES			
Trade and Other Payables	7	3,391,244	2,272,482
Provisions	8	1,502,166	1,478,528
TOTAL CURRENT LIABILITIES		<u>4,893,410</u>	<u>3,751,010</u>
NON-CURRENT LIABILITIES			
Provisions	8	208,495	211,555
TOTAL NON-CURRENT LIABILITIES		<u>208,495</u>	<u>211,555</u>
TOTAL LIABILITIES		<u>5,101,905</u>	<u>3,962,565</u>
NET ASSETS		<u>8,773,358</u>	<u>7,751,783</u>
REPRESENTED BY			
ACCUMULATED FUNDS	10	<u>8,773,358</u>	<u>7,751,783</u>

The accompanying notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE PERIOD TO 30 JUNE 2016**

	Notes	2016 \$	2015 \$
Cash Flows from Operating Activities	11		
Receipts from Donations		1,876,293	1,727,325
Receipts from Grants		8,640,667	7,368,829
Receipts from Earned Income		3,496,542	3,552,271
Receipts from Sponsorship		1,937,545	2,491,773
Interest received		350,674	357,498
Payments to suppliers & employees		-14,327,213	-14,762,722
Interest paid		<u>0</u>	<u>0</u>
NET CASH FROM OPERATING ACTIVITIES		<u>1,974,508</u>	<u>734,974</u>
 Cash Flows from Investing Activities			
Payment for property and equipment		-432,998	-55,402
Proceeds from sale of property and equipment		<u>40,000</u>	<u>7,763</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>-392,998</u>	<u>-47,639</u>
 Cash Flows from Financing Activities			
Increase in investments		0	0
Decrease in borrowings		<u>0</u>	<u>0</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>0</u>	<u>0</u>
 Total cash position			
Net Increase in Cash		1,581,510	687,335
Cash at Bank at beginning of Financial Year		<u>8,861,480</u>	<u>8,174,145</u>
CASH AT BANK AT END OF PERIOD	2	<u>10,442,990</u>	<u>8,861,480</u>

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

The financial report is for CatholicCare Archdiocese of Melbourne as an individual entity.

1.1 Basis of Presentation

In the opinion of CatholicCare representatives, CatholicCare is not a reporting entity. The Financial Statements have been prepared as a Special Purpose Financial Report and in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the accounting policies disclosed below, which the representatives have determined are appropriate to meet the needs of the entity. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements have been prepared on the accruals basis of accounting using the historical cost convention and a going concern assumption.

The following accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements:

1.2 Income Tax

CatholicCare is exempt from Australian income tax being a charitable institution under Division 50-B of the Income Tax Assessment Act 1997.

1.3 Revenue Recognition

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as liabilities in the balance sheet.

Investment income is brought to account as it is received or receivable.

Dividend revenue is brought to account as it is received.

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

1.4 Income Received in Advance

CatholicCare receives grant monies to fund projects either for contracted periods of time or for specific projects. It is the policy of CatholicCare to treat grant monies as income received in advance in the balance sheet where CatholicCare is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

1.5 Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Land and Buildings

Freehold land and buildings are measured at fair value. The carrying amount of each asset is periodically reviewed to ensure that it does not differ materially from the asset's fair value. Where necessary, the asset is revalued to reflect its fair value. Land and buildings were re-valued to their market value as at 31 March 2015.

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Cont'd)**Plant and Equipment**

Plant and Equipment is measured on the cost basis.

Depreciation

Depreciation is calculated on a straight line basis so as to write off the cost of each fixed asset during its estimated useful life from the time the asset is held ready for use. CatholicCare has not provided for depreciation on freehold buildings as the Board is satisfied that the carrying value equates current valuation and therefore there has been no diminution of value. Leasehold Improvements are amortised over the period of the lease.

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	22.50%
Plant and equipment	15.00-33.00%
Leasehold improvements	10.00-20.00%

1.6 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables in the balance sheet are stated at the GST inclusive amount.

Cash flows are included in the cash flow statement on a net basis. The GST component of cash flows arising from investing and financing activities that are recoverable are classified as operating cash flows.

1.7 Employee Entitlements

Provision is made for long service leave and annual leave. Annual leave is provided on the basis of amounts estimated to be payable to employees and is shown as a current liability. Long Service Leave is provided on the basis of thirteen weeks leave after ten years of service, but, since 1 January 2006, this is now accessible on a pro rata basis after seven years. Amounts are provided for each employee immediately upon employment. Amounts provided in relation to staff with less than seven years of service are shown as a non-current liability. Contributions are made by CatholicCare to an employee superannuation fund and are charged as expenses when incurred.

1.8 Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses and recognised in profit or loss in the periods in which they are incurred.

1.9 Critical Accounting Estimates and Judgments

CatholicCare evaluates estimates and judgments incorporated into the financial report 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 CatholicCare.

NOTE 2 CASH AT BANK

	2016	2015
	\$	\$
Short Term Deposit with Catholic Development Fund	8,255,848	7,421,232
Current accounts with Catholic Development Fund	<u>2,187,142</u>	<u>1,440,248</u>
	<u>10,442,990</u>	<u>8,861,480</u>

NOTE 3 TRADE AND OTHER RECEIVABLES**Current**

Trade and other debtors	1,258,750	497,315
Prepayments	<u>258,609</u>	<u>117,646</u>
	<u>1,517,359</u>	<u>614,961</u>

NOTE 4 SHORT TERM INVESTMENTS

Diversified Investment Portfolio comprising Bequest proceeds	<u>617,514</u>	<u>664,327</u>
	<u>617,514</u>	<u>664,327</u>

NOTE 5 PROPERTY, PLANT AND EQUIPMENT

Land and Buildings - At Valuation	750,000	1,160,000
Freehold Improvements	<u>750,000</u>	<u>1,160,000</u>
Leasehold improvements at cost	1,202,455	1,424,755
Less Accumulated Amortisation	<u>-814,272</u>	<u>-1,236,876</u>
	<u>388,183</u>	<u>187,879</u>
Motor Vehicles at cost	222,212	222,212
Less Accumulated Depreciation	<u>-179,708</u>	<u>-143,848</u>
	<u>42,504</u>	<u>78,364</u>
Plant and Equipment at cost	1,349,147	1,269,184
Less Accumulated Depreciation	<u>-1,232,434</u>	<u>-1,121,847</u>
	<u>116,713</u>	<u>147,337</u>
	<u>1,297,400</u>	<u>1,573,580</u>

NOTE 5 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Property, Plant and Equipment Movement:

	Land and Buildings	Leasehold Improvements	Motor Vehicles	Plant and Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the year	1,160,000	187,879	78,364	147,337	1,573,580
Additions	0	353,036	0	79,962	432,998
Disposals/Written off	-410,000	0	0	0	-410,000
Depreciation	0	-152,732	-35,860	-110,586	-299,178
Carrying amount at the end of the year	<u>750,000</u>	<u>388,183</u>	<u>42,504</u>	<u>116,713</u>	<u>1,297,400</u>

NOTE 6 AUDITORS' REMUNERATION

	2016	2015
	\$	\$
Audit and Review Services		
Auditor of CatholicCare Archdiocese of Melbourne		
- External Audit & Review of Financial Reports	26,200	29,300
Other Auditors		
-Internal Audit & Review	16,413	4,037

NOTE 7 TRADE AND OTHER PAYABLES**Current**

Trade and other creditors	774,909	613,878
Income received in advance	2,616,335	1,658,604
	<u>3,391,244</u>	<u>2,272,482</u>

NOTE 8 PROVISIONS**Current***Employee Entitlements:*

Provision for Long Service Leave	830,552	778,352
Provision for Annual Leave	671,614	700,176
	<u>1,502,166</u>	<u>1,478,528</u>

Non-Current

Provision for Long Service Leave	<u>208,495</u>	<u>211,555</u>
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NOTE 9 OPERATING LEASES**Due**

▪ Not later than one year	539,320	295,219
▪ Later than one year	716,831	357,497
	<u>1,256,151</u>	<u>652,716</u>

Non-cancellable operating leases relate to property, motor vehicles and technology hardware leases. These are contracted for but not capitalised and are summarised as above.

NOTE 10 ACCUMULATED FUNDS

	2016	2015
	\$	\$
Accumulated funds - 30 June 2015	7,751,783	6,948,825
Operating surplus for the year	1,106,235	542,958
Asset Revaluation Movement	<u>-84,660</u>	<u>260,000</u>
Accumulated funds - 30 June 2016	<u><u>8,773,358</u></u>	<u><u>7,751,783</u></u>
comprising		
Reserves		
Heritage Fund Reserve		
Opening Balance, 30 June 2015	951,345	929,538
Movement	<u>22,833</u>	<u>21,807</u>
Closing Balance, 30 June 2016	<u><u>974,178</u></u>	<u><u>951,345</u></u>
2016 Movement represents inflows of \$22,833 from interest on opening balance.		
Development Fund Reserve		
Opening Balance, 30 June 2015	3,913,874	3,463,874
Movement	<u>560,000</u>	<u>450,000</u>
Closing Balance, 30 June 2016	<u><u>4,473,874</u></u>	<u><u>3,913,874</u></u>
Prison's Ministry Reserve		
Opening Balance, 30 June 2015	156,164	156,164
Movement	<u>5,305</u>	<u>0</u>
Closing Balance, 30 June 2016	<u><u>161,469</u></u>	<u><u>156,164</u></u>
2016 Movement represents inflows of \$5,305 from interest on opening balance.		
HIV / AIDS Ministry Reserve		
Opening Balance, 30 June 2015	58,295	58,295
Movement	<u>0</u>	<u>0</u>
Closing Balance, 30 June 2016	<u><u>58,295</u></u>	<u><u>58,295</u></u>
Asset Revaluation Reserve		
Opening Balance, 30 June 2015	528,306	268,306
Movement	<u>-84,660</u>	<u>260,000</u>
Closing Balance, 30 June 2016	<u><u>443,646</u></u>	<u><u>528,306</u></u>
2016 Movement relates to the sale of Kleine Street, Noble Park		
Accumulated surplus		
Opening Balance, 30 June 2015	2,143,799	2,072,647
Movement	1,106,235	542,958
Less transfer to Heritage Fund	-22,833	-21,807
Less transfer to Development Reserve	-560,000	-450,000
Less transfer to Prison's Ministry Reserve	<u>-5,305</u>	<u>0</u>
Closing Balance, 30 June 2016	<u><u>2,661,896</u></u>	<u><u>2,143,799</u></u>
TOTAL	<u><u>8,773,358</u></u>	<u><u>7,751,783</u></u>

NOTE 11 RECONCILIATION OF NET CASH FLOWS

	2016	2015
	\$	\$
Operating result	1,106,235	542,958
Changes in assets & liabilities:		
Depreciation of non-current assets	299,178	222,489
Gain on sale of property and equipment	-199,493	0
(Increase) Decrease in trade and other debtors	-276,602	648,897
(Increase) Decrease in prepayments	-140,963	36,218
(Increase) Decrease in short term investments	46,813	17,769
Increase (Decrease) in trade and other creditors	161,031	-129,369
Increase (Decrease) in income received in advance	957,731	-497,914
Increase (Decrease) in provisions	20,578	-106,074
NET CASH FROM OPERATING ACTIVITIES	<u>1,974,508</u>	<u>734,974</u>

NOTE 12 EVENTS SUBSEQUENT TO BALANCE DATE

CatholicCare sold its Access Program on 01 July 2016 to Access Programs Australia Ltd trading as AccessEAP for \$300,000.

The representatives are not aware of any other matter that has arisen since the end of the financial year that is not dealt with in the report or accounts that has or may significantly affect the operations of CatholicCare, the results of those operations or the state of affairs of CatholicCare in subsequent years.



**Chaundy
& Henry**

CHARTERED ACCOUNTANTS

P. W. Selkrig F.C.A.
A.B.N. 48 617 833 416

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CATHOLICCARE ARCHDIOCESE OF MELBOURNE

Report on the Financial Report

I have audited the accompanying financial report of CatholicCare Archdiocese of Melbourne, which comprises the statement of financial position as at 30th June 2016, the income statement and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities' declaration.

Responsible Entities' Responsibility for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the responsible entities' preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion with the effectiveness of the registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the responsible entities, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

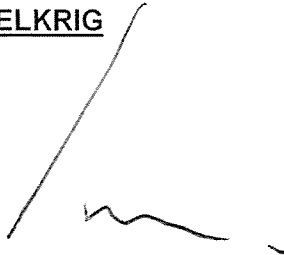
In my opinion the financial report of CatholicCare Archdiocese of Melbourne has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30th June 2016 and of its financial performance and cash flows for the year [period] ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

Report on Other Legal and Regulatory Requirements

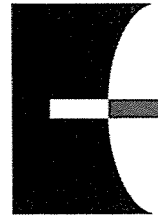
In accordance with the requirements of section 60-50(3)(b) of the ACNC Act, I have not become aware of any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(4)(b),(c) or (d) of the ACNC Act.

P. W. SELKRIG



CHAUNDY & HENRY
Chartered Accountants

Dated at North Balwyn this 23rd August 2016



**Chaundy
& Henry**

CHARTERED ACCOUNTANTS

P. W. Selkrig F.C.A.
A.B.N. 48 617 833 416

PWS: TW

4th August 2016

The Members of the Committee of
CatholicCare Archdiocese of Melbourne
PO Box 196
EAST MELBOURNE VIC 3002

Dear Committee Members

CATHOLICCARE ARCHDIOCESE OF MELBOURNE

Auditor's Independence Declaration

To the Directors of CatholicCare Archdiocese of Melbourne

In relation to our audit of the financial report of CatholicCare Archdiocese of Melbourne for the financial year ended 30th June 2016, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Yours sincerely,

CHAUNDY & HENRY

P. W. SELKRIG

Chartered Accountants