



CatholicCare Archdiocese of Melbourne

ABN: 42 795 179 778

Financial Statements

For the Year Ended 30 June 2017

CatholicCare Archdiocese of Melbourne

ABN: 42 795 179 778

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For the Year Ended 30 June 2017

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**CATHOLICCARE ARCHDIOCESE OF MELBOURNE REPRESENTATIVES'
REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

In respect of the financial year ended 30 June 2017, 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 2017 are:

| | |
|------------------------|---|
| Mr John Sheldon, Chair | Fr. Joe Caddy EV for Social Services – retired 30 June 2017 |
| Mr Chris Braithwaite | Ms Bernadette Steele |
| Mr Terry Healy | Mr Dennis Torpy |
| Professor Sandra Jones | Mr Kieran Walshe |
| Mr James McGarvey | Fr. Thang Vu |
| Ms Patricia Quigley | |

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 \$363,478 (2016: surplus \$330,026). Including bequests and property sale proceeds the surplus was \$1,831,150 (2016: surplus \$1,106,235). The operating result for the year includes a capital profit of \$300,000 from the sale of its Access Program to Access Programs Australia Ltd on 01 July 2016.

Events subsequent to Balance Date

The representatives are not aware of any 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.

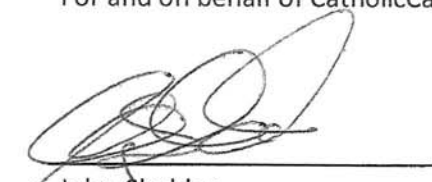
Significant Changes

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, 22 August 2017



Chris Braithwaite
REPRESENTATIVE
Melbourne, 22 August 2017

CatholicCare Archdiocese of Melbourne
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Auditors Independence Declaration to the Directors of CatholicCare Archdiocese of Melbourne

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Saward Dawson



Jeffrey Tulk
Partner

Blackburn, VIC

Dated: 22 August 2017

CatholicCare Archdiocese of Melbourne

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

| | 2017 | 2016 |
|---|---------------------|--------------|
| | \$ | \$ |
| OPERATING REVENUES | | |
| Gifted income | 1,496,382 | 1,294,962 |
| Grants | 9,142,995 | 7,848,396 |
| Earned income | 3,579,995 | 3,953,281 |
| Partner contributions | 1,818,377 | 1,988,252 |
| TOTAL OPERATING REVENUES | 16,037,749 | 15,084,891 |
| OPERATING EXPENSES | | |
| Employee benefits expense | (11,678,889) | (11,521,242) |
| Program costs | (1,973,538) | (1,124,459) |
| Occupancy costs | (865,465) | (838,156) |
| Corporate costs | (657,279) | (699,058) |
| Administration costs | (499,100) | (571,948) |
| TOTAL OPERATING EXPENSES | (15,674,271) | (14,754,863) |
| OPERATING SURPLUS (before Bequest and Assets Proceeds) | 363,478 | 330,028 |
| Bequests | 1,154,726 | 563,058 |
| Gain/(loss) from sale of assets | 312,946 | 213,151 |
| OPERATING SURPLUS (including Bequests and Assets Proceeds) | 1,831,150 | 1,106,237 |
| Other comprehensive income: | | |
| <i>Items that will be reclassified to profit or loss when specific conditions are met</i> | | |
| Net movements in assets revaluation reserves | - | (84,660) |
| Other comprehensive income for the year | - | (84,660) |
| Total comprehensive income for the year | 1,831,150 | 1,021,577 |

CatholicCare Archdiocese of Melbourne

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Statement of Financial Position

As At 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 12,793,378 | 10,453,604 |
| Trade and other receivables | 4 | 351,727 | 1,017,804 |
| Financial assets | 5 | 162 | 617,514 |
| Other assets | 6 | 246,728 | 476,778 |
| TOTAL CURRENT ASSETS | | 13,391,995 | 12,565,700 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 1,352,994 | 1,297,401 |
| TOTAL NON-CURRENT ASSETS | | 1,352,994 | 1,297,401 |
| TOTAL ASSETS | | 14,744,989 | 13,863,101 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 803,343 | 762,745 |
| Short-term provisions | 9 | 1,697,480 | 1,502,166 |
| Income received in advance | 10 | 884,245 | 2,064,557 |
| TOTAL CURRENT LIABILITIES | | 3,385,068 | 4,329,468 |
| NON-CURRENT LIABILITIES | | | |
| Long-term provisions | 9 | 203,635 | 208,497 |
| TOTAL NON-CURRENT LIABILITIES | | 203,635 | 208,497 |
| TOTAL LIABILITIES | | 3,588,703 | 4,537,965 |
| NET ASSETS | | 11,156,286 | 9,325,136 |
| EQUITY | | | |
| Reserves | | 7,269,643 | 6,111,460 |
| Accumulated surpluses | | 3,886,643 | 3,213,676 |
| TOTAL EQUITY | | 11,156,286 | 9,325,136 |

CatholicCare Archdiocese of Melbourne

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Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

| | Accumulated Surpluses | Heritage Fund Reserve | Development Fund Reserve | Prison's Ministry Reserve | HIV / AIDS Ministry Reserve | Asset Revaluation Reserve | Total |
|-----------------------------------|--------------------------|--------------------------|-----------------------------|---------------------------------|-----------------------------------|---------------------------------|------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2016 | 3,213,676 | 974,176 | 4,473,874 | 161,469 | 58,295 | 443,646 | 9,325,136 |
| Surplus for the year | 1,831,150 | - | - | - | - | - | 1,831,150 |
| Transactions to and from reserves | - | - | - | - | - | - | - |
| Transfer to Development Reserve | (1,155,000) | - | 1,155,000 | - | - | - | - |
| Transfer to Prison Ministry | (3,183) | - | - | 3,183 | - | - | - |
| Balance at 30 June 2017 | 3,886,643 | 974,176 | 5,628,874 | 164,652 | 58,295 | 443,646 | 11,156,286 |

2016

| | Accumulated Surpluses | Heritage Fund Reserve | Development Fund Reserve | Prison's Ministry Reserve | HIV / AIDS Ministry Reserve | Asset Revaluation Reserve | Total |
|--|--------------------------|--------------------------|-----------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2015 | 2,695,577 | 951,343 | 3,913,874 | 156,164 | 58,295 | 528,306 | 8,303,559 |
| Surplus for the year | 1,106,237 | - | - | - | - | - | 1,106,237 |
| Asset Revaluation Movement | - | - | - | - | - | (84,660) | (84,660) |
| Transactions with owners in their capacity as owners | | | | | | | |
| Transfer to Heritage Fund | (22,833) | 22,833 | - | - | - | - | - |
| Transfer to Development Reserve | (560,000) | - | 560,000 | - | - | - | - |
| Transfer to Prison's Ministry Reserve | (5,304) | - | - | 5,304 | - | - | - |
| Balance at 30 June 2016 | 3,213,677 | 974,176 | 4,473,874 | 161,468 | 58,295 | 443,646 | 9,325,136 |

Statement of Cash Flows

For the Year Ended 30 June 2017

| | 2017 | 2016 |
|---|-------------------|-------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers & donors | 17,047,980 | 15,951,047 |
| Interest received | 414,845 | 350,674 |
| Payments to suppliers & employees | (15,769,747) | (14,327,213) |
| Net cash provided by/(used in) operating activities | <u>1,693,078</u> | <u>1,974,508</u> |
| 13 | | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Payment for property and equipment | (313,365) | (432,998) |
| Proceeds from sale of property and equipment | 42,709 | 40,000 |
| Proceeds from sale of shares | 617,352 | - |
| Proceeds from sale of business division | 300,000 | - |
| Net cash used by investing activities | <u>646,696</u> | <u>(392,998)</u> |
| | | |
| Net increase/(decrease) in cash and cash equivalents held | 2,339,774 | 1,581,510 |
| Cash and cash equivalents at beginning of year | <u>10,453,604</u> | <u>8,872,094</u> |
| Cash and cash equivalents at end of financial year | <u>12,793,378</u> | <u>10,453,604</u> |
| 3 | | |

CatholicCare Archdiocese of Melbourne

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Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial report covers CatholicCare Archdiocese of Melbourne as an individual entity. CatholicCare is a registered not-for-profit entity with the Australian Charities and Not-for-profits Commission.

1 Basis of Preparation

In the opinion of CatholicCare representatives, CatholicCare is not a reporting entity since there are no users dependent on a general purpose financial report. This special purpose financial report has been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the requirements of Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Summary of Significant Accounting Policies

(a) Income Tax

CatholicCare is exempt from Australian income tax being a charitable institution under Division 50 of the Income Tax Assessment Act 1997. CatholicCare is also registered with the Australian Charities and Not-for-profits Commission.

(b) Operating 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 of 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.

(c) Revenue Recognition

Grant revenue is recognised in the statement of profit or loss 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 statement of financial position as a liability until such conditions are met or services provided.

Donations and bequests are recognised as revenue when received.

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

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

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

CatholicCare Archdiocese of Melbourne

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Notes to the Financial Statements

For the Year Ended 30 June 2017

Summary of Significant Accounting Policies

(d) 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 statement of financial position 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.

(e) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) 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 impairment.

Land and buildings

Freehold land and buildings are measure 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.

Plant and equipment

Plant and equipment are measured using the cost model.

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. Leasehold Improvements are amortised over the period of the lease.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|---------------------|-------------------|
| Motor Vehicles | 22.5% |
| Plant and equipment | 15 - 33% |

Notes to the Financial Statements

For the Year Ended 30 June 2017

Summary of Significant Accounting Policies

| | | |
|-----|-------------------------------|-------------------|
| (f) | Property, plant and equipment | |
| | Fixed asset class | Depreciation rate |
| | Leasehold improvements | 10 - 20% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that CatholicCare becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

(ii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period. (All other investments are classified as current assets).

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks 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 assumed, is recognised in the statement of profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2017

Summary of Significant Accounting Policies

(h) Comparative figures

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

During the year, there has been a change in accounting policy where all donation and bequest income is recognised when received. This change has resulted in an increase in opening accumulated surpluses and decrease in opening income received in advance in the 2015-2016 financial year by \$551,778. There is no impact to the statement of profit or loss.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Employee benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

2 Critical Accounting Estimates and Judgments

CatholicCare evaluates estimates and judgements 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.

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 statement of financial position 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.

CatholicCare Archdiocese of Melbourne

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Notes to the Financial Statements

For the Year Ended 30 June 2017

3 Cash and Cash Equivalents

| | 2017 | 2016 |
|---------------|-------------------|-------------------|
| | \$ | \$ |
| Cash on hand | 7,151 | 6,875 |
| Cash in bank | 1,446,110 | 2,190,881 |
| Term deposits | 11,340,117 | 8,255,848 |
| | <u>12,793,378</u> | <u>10,453,604</u> |

4 Trade and Other Receivables

CURRENT

| | | |
|--------------------------|----------------|------------------|
| Trade receivables | 318,959 | 982,684 |
| Provision for impairment | (9,852) | - |
| Security Bond | 42,620 | 35,120 |
| | <u>351,727</u> | <u>1,017,804</u> |

Total current trade and other receivables

5 Financial Assets

CURRENT

| | | |
|--------|------------|----------------|
| Shares | 162 | 617,514 |
| | <u>162</u> | <u>617,514</u> |

Total

6 Other Assets

CURRENT

| | | |
|----------------|----------------|----------------|
| Prepayments | 180,878 | 223,489 |
| Accrued income | 65,850 | 253,289 |
| | <u>246,728</u> | <u>476,778</u> |

CatholicCare Archdiocese of Melbourne

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Notes to the Financial Statements

For the Year Ended 30 June 2017

7 Property, plant and equipment

| | 2017 | 2016 |
|-------------------------------------|------------------|------------------|
| | \$ | \$ |
| Land and Buildings | | |
| At fair value | 750,000 | 750,000 |
| Accumulated depreciation | (8,318) | - |
| Total buildings | <u>741,682</u> | <u>750,000</u> |
| Total land and buildings | <u>741,682</u> | <u>750,000</u> |
| Plant and equipment | | |
| At cost | 1,126,715 | 1,349,147 |
| Accumulated depreciation | (881,126) | (1,232,433) |
| Total plant and equipment | <u>245,589</u> | <u>116,714</u> |
| Motor vehicles | | |
| At cost | 179,878 | 222,212 |
| Accumulated depreciation | (145,689) | (179,708) |
| Total motor vehicles | <u>34,189</u> | <u>42,504</u> |
| Leasehold Improvements | | |
| At cost | 1,103,909 | 1,202,455 |
| Accumulated amortisation | (772,375) | (814,272) |
| Total leasehold improvements | <u>331,534</u> | <u>388,183</u> |
| Total property, plant and equipment | <u>1,352,994</u> | <u>1,297,401</u> |

CatholicCare Archdiocese of Melbourne

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Notes to the Financial Statements

For the Year Ended 30 June 2017

7 Property, plant and equipment

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

| | Buildings | Plant and Equipment | Motor Vehicles | Improvements | Total |
|--------------------------------|-----------|------------------------|----------------|--------------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| Year ended 30 June 2017 | | | | | |
| Opening net book value | 750,000 | 116,714 | 42,504 | 388,183 | 1,297,401 |
| Additions | - | 260,237 | 36,237 | 16,891 | 313,365 |
| Disposals - written down value | - | (2,334) | (27,429) | - | (29,763) |
| Depreciation charge | (8,318) | (129,028) | (17,123) | (73,540) | (228,009) |
| Closing net book amount | 741,682 | 245,589 | 34,189 | 331,534 | 1,352,994 |

| | | | |
|----|--|------------------|------------------|
| 8 | Trade and other payables | 2017 | 2016 |
| | | \$ | \$ |
| | Current | | |
| | Trade and other payables | 803,343 | 762,745 |
| | | <u>803,343</u> | <u>762,745</u> |
| 9 | Provisions | | |
| | Current liabilities | | |
| | Long service leave | 898,201 | 830,552 |
| | Annual leave | 799,279 | 671,614 |
| | | <u>1,697,480</u> | <u>1,502,166</u> |
| | Non-current liabilities | | |
| | Long service leave | 203,635 | 208,497 |
| | | <u>203,635</u> | <u>208,497</u> |
| 10 | Other Liabilities | | |
| | CURRENT | | |
| | Income in Advance | 884,245 | 2,064,557 |
| | | <u>884,245</u> | <u>2,064,557</u> |
| 11 | Operating Leases | | |
| | Minimum lease payments under non-cancellable operating leases: | | |
| | - not later than one year | 548,877 | 539,320 |
| | - between one year and five years | 723,427 | 716,831 |
| | | <u>1,272,304</u> | <u>1,256,151</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.

12 Contingencies

In the opinion of the Board, the CatholicCare did not have any contingencies at 30 June 2017 (30 June 2016:None).

CatholicCare Archdiocese of Melbourne

ABN: 42 795 179 778

Notes to the Financial Statements

For the Year Ended 30 June 2017

13 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| Surplus for the year | 1,831,150 | 1,106,236 |
| Non-cash flows in surplus: | | |
| - depreciation | 228,009 | 299,178 |
| - net gain on disposal of property, plant and equipment | (12,946) | (199,493) |
| - net (gain)/loss on sale of business division | (300,000) | - |
| - write-downs to recoverable amount | 9,852 | - |
| Changes in assets and liabilities | | |
| - (increase)/decrease in trade and other receivables | 886,275 | (370,753) |
| - increase/(decrease) in trade and other payables | 40,598 | 161,031 |
| - increase/(decrease) in provisions | 190,452 | 20,578 |
| - increase/(decrease) in income received in advanced | (1,180,312) | 957,731 |
| Cashflow from operations | <u>1,693,078</u> | <u>1,974,508</u> |

14 Entity's Details

The registered office and principal place of business of the entity is:

CatholicCare Archdiocese of Melbourne
383 Albert Street,
East Melbourne
VIC 3002

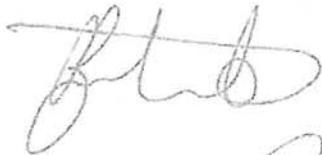
Declaration by CatholicCare Representatives

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

The Representatives of the CatholicCare declare that:

- 1) there are reasonable grounds to believe that the CatholicCare will be able to pay its debts as and when they become due and payable, and;
- 2) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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



Director



Director

Dated: 22 August 2017

CatholicCare Archdiocese of Melbourne

ABN: 42 795 179 778

Independent Audit Report to the members of CatholicCare Archdiocese of Melbourne

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of CatholicCare Archdiocese of Melbourne (the entity), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by CatholicCare representatives.

In our opinion, the accompanying financial report of the entity is in accordance with the Division 60 of the Australian Charities and Not-For-Profit Commission Act 2012 and the Australian Charities for Not-For-Profit Commission Regulations 2013, including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Australian Charities and Not-For-Profit Commission Act 2012 and the Australian Charities for Not-For-Profit Commission Regulations 2013.

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 entity in accordance with the auditor independence requirements of the Australian Charities and Not-For-Profit Commission Act 2012 and the Australian Charities for Not-For-Profit Commission Regulations 2013 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-For-Profit Commission Act 2012 and the Australian Charities for Not-For-Profit Commission Regulations 2013, which has been given to the directors of the entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Australian Charities and Not-For-Profit Commission Act 2012 and the Australian Charities for Not-For-Profit Commission Regulations 2013. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Responsibilities of Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-For-Profit Commission Act 2012 and the Australian Charities for Not-For-Profit Commission Regulations 2013 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the the 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 directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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 Australian Auditing Standard, 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 entity's internal control.

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- Evaluate the appropriateness of the 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 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 entity to cease 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 responsible entities 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.



Saward Dawson



Jeffrey Tulk
Partner

Blackburn, VIC

Dated: 22 August 2017