

Catholic Social  
Services **Australia**

# ANNUAL REPORT

2017-18

The national network of Catholic social services



# About Us

Catholic Social Services Australia (CSSA) is the peak national body for social services of the Catholic Church. We are dedicated to improving social and economic policy for the benefit of all Australians and in particular for the poor and marginalised by working alongside our members – some 50 Catholic social service organisations, who help around 450,000 Australians a year across 650 sites nationally.

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## CHAIR'S REPORT


Dr Maria Harries AM

During these inevitable times of change and challenge it is important to note the steadiness and timelessness of some features of the community landscape within which we work. One of these features is the presence and endurance of compassion and concern for others. Respecting the dignity of every person is a hallmark of our faith-based service community and one of which we should be uncompromisingly proud. In writing this annual report I first and foremost acknowledge and thank the leaders of our member agencies, many of whom are new. I also acknowledge the many paid and unpaid service providers who continue in their undaunted commitment to assist those who experience misfortune and adversity in all their forms. They do this at the same time as they cope with the interminable vagaries of public policy changes.

Now, what of the challenges? The Royal Commission into Institutional Responses to Child Sexual Abuse has provided the primary challenge to many of us. We all work in the name of the Church of which a large number of us remain active members. It has been a tough road for all of us to travel as we have born witness to the failures of our own Church personnel and communities and, importantly, have acknowledged the Catholic Church's responsibilities for the suffering and trauma caused to so many children, women and men. It has not been easy being Catholic or indeed people of any faith during this last few years. There is much work for us all to do as we try to understand how to engage with the healing of the thousands who suffer as well as work to consolidate new structures that ensure our services are places of safety for all children and vulnerable adults. Our member agencies should be proud of their service policies and protocols to date. The quality of these works were acknowledged in some of the Royal Commission findings.

The state of our nation is another challenge. As so many acknowledge, our increasingly secular and consumerist society appears increasingly disinclined to acknowledge the pain and suffering of so many who find themselves on the margins – among these are refugees and migrants, people in poverty, members of the LGBTI community, the unemployed and underemployed, those with disabilities and of course, troubled youth. Meeting the individual and collective needs of these communities is not enough. We must also highlight the inhumanity of a number of current policies, advocate for public policy changes and help facilitate participation, inclusion and community belonging – to reduce the numbers of our fellow citizens experiencing intolerable hardship.

In response to member concerns and to help face these challenges, the CSSA Board determined last year to undertake three major tasks. The first was to reduce membership fees; the second was to downsize the board and the organisation to accommodate the reduction in income; the third was to increase our services to members in term of assisting them to harness the wisdom of Catholic Social Teaching. These three goals have been accomplished and the work is ongoing.



However, there was an additional goal we adopted and that was to increase our capacity to respond to the needs of those trapped in cycles of disadvantage by ramping up our capacity to advocate for necessary public policy changes. We determined that such a goal required us to develop and refine our research expertise to accomplish more public policy gravitas. The engagement of all our member agencies is vital to the gravitas we achieve because it is the frontline workers who face the reality of the injustices and traumas of the people they serve, who, in turn, are our advisers on research priorities and needs. As I said last year, “members provide a legitimacy for the advocacy we pursue”.

My thanks go to Fr Frank Brennan, Joe Zabar and Mary Jamieson who have led these changes. Frank Brennan continues to inspire us as well as continuing to contribute endlessly to important – and often controversial - public policy debates. I thank the always committed staff who accepted the need to downsize and who are no longer with us. We do miss them and their wisdom and are pleased they have all found an ongoing place to use their skills. On behalf of all Board members I thank our colleagues on the Board who departed this year, Barbara Hingston, Paula La Rosa and Peter Selwood, Paul Jensen, Sr. Margaret Mary Flynn IBVM and Jack de Groot. They take with them the gratitude of all for the wisdom and expertise they contributed. Finally, I welcome Dr Robyn Miller as an Australian Catholic Bishops Conference (ACBC) appointee replacing Barbara Hingston and Sr. Kathleen Tierney RSM who has replaced Sr. Margaret Mary as the representative from Catholic Religious Australia. We all await with interest the welcoming of another new member once the outcomes of the upcoming Board election are known and accepted.

It continues to be a privilege to serve as Board Chair as I approach my final year in this position. As we undertake the new tranche of research work to address the many public policy challenges, we also have work to do within our church community. The ACBC in which we are situated, has restructured and CSSA welcomes being part of a broader Bishops Commission for Social Justice – Mission and Service. We will continue to work with the various new bodies that have been established following the finalisation of the Royal Commission, and we look forward to discerning how to repair so many wounds, help healing and contribute to the visions for the 2020 Plenary Council.

## CEO'S REPORT

Fr Frank Brennan SJ AO


Let me start the introduction to this annual report of Catholic Social Services Australia acknowledging the gloomy clouds in the sky. We are all living through a time of disruption and uncertainty. Trump, Brexit, and frequent changes of Australian Prime Minister tell us that political confusion is not isolated to a particular time or place. The Royal Commissions into institutional responses to child sexual abuse and into the banks and financial institutions point to an underlying loss of trust in institutions, traditions, and authority. The public reputation of the Catholic Church in Australia has been tarnished, and church affiliation is decreasing.

Against this backdrop of political uncertainty and loss of faith in institutions, governments continue to warn that the present welfare services and social security payment systems are stretched and in need of repair. During this year, the Federal Government has introduced a number of measures which it hopes will encourage more welfare recipients to move from welfare into work. The Government says it is committed to a fair, sustainable welfare system able to support those most in need.

The government has readily admitted that the NDIS disrupts existing operating models and is a fundamental shift from a block funded welfare model to a market-based system allowing persons with a disability to choose their supports through individualised commissioning. Market based systems increasingly seem to be 'the go', but as our members know, many people fall through the cracks in even a well regulated and best operating market. No doubt, this approach can work very well for persons who are well educated, well resourced, and well connected. We need to keep an eye on those who are more marginalised and vulnerable, and on those who fall just short of eligibility for the NDIS. Some of our members will be able to adjust to the new technology, economics of scale, advertising and promotion required to compete in the new market. We also need to look out for members where this is beyond their reach or constitutes too great a risk to their financial viability. The next twelve months will be a very testing time for our members who remain committed to providing the best of services to people with a disability.

The government is trialling measures such as the cashless debit card and the random drug testing of welfare recipients. It is essential that we insist on accurate and holistic assessment of outcomes and on maintaining the dignity of all persons affected by new measures. The cashless debit card was trialled this year on two sites where our members work. Any measure which can encourage people to move from welfare to work is welcome. It must provide a practical pathway, rather than just further entrenching passive welfare dependency. It must also provide a sense that the individual is not able to choose and make decisions for themselves. CSSA's approach has not been outright opposition to measures of this sort which are supported by both sides of politics. Rather we are concerned to be co-operative on the ground with government to ensure the delivery of wrap-around services which can maximise the prospects of the laudable objectives being achieved while continuing to respect the dignity of all persons.

I now turn to the silver lining on the dark clouds over the welfare sector, our polity and our Church.



For some years, members have been telling us that our CSSA membership fees are too high. The fees have been levied at a rate more than twice those of other faith-based providers. We have heard the message and halved your membership fees. This meant that we needed to halve the size of our Canberra office and reduce priorities and the routine services we provide.

Happily, all staff who left us were able to find good, satisfying jobs with a seamless transition. As well as downsizing, we called in the management consultants who advised us on the priorities for a smaller, leaner, national operation. We have now appointed a Director of Research and an Executive Officer. Being attentive to the members, we realised that the things you wanted most were: rigorous, evidence-based research and advocacy that is able to impact on national welfare policy, as well as provide support for the formation of your staff in Catholic Social Teaching and leadership. This is CSSA's new value proposition:

As a national advocate, Catholic Social Services Australia works with its members to produce evidence/research which informs public opinion and assists lawmakers to develop just and compassionate social and economic policies that will improve the lives of the poor and vulnerable in Australia. In doing so, CSSA fosters connectedness and partners with Catholic social service providers.


Our hope is that members will now join us in targeted research by helping to craft, supplement, fund, and resource projects with the necessary data and evidence from the work being performed by our members.

In our research and advocacy, we are seeking to be pathfinders, partners and promoters. As pathfinders, we seek to raise public awareness of the case for change to a more equitable system using new and existing evidence. As partners, we will support members to provide socially just services within existing systems using evidence and advocacy. As promoters, we will demonstrate to government the current success of members and what a new system could look like using compelling case studies.

As CEO, I have spent a lot of time this past year visiting members. This has expanded my knowledge of the broad range of services that our members provide and has included responding to member requests for support in staff formation. We are also developing a first-rate website able to showcase the best work of all our members.

We are also doing our bit to break down some of the silos in our complex Church which is now seeking to respond to the recommendations of the Royal Commission. We were delighted to work with the Australian Catholic Social Justice Council this year producing the annual social justice statement *A Place to Call Home: Making a Home for Everyone in our Land*. This was preceded by two important publications developed by CSSA *The Human Face of Homelessness* and *An Economy that Works for All*. Both were excellent publications and important contributions to the public discourse on important social and economic issues.

The lengthy sale process for the Curtin Covent, our office base since 1984, is nearing completion marking another significant milestone reached in the transition to our new operations. Being now co-located with Catholic Health Australia (CHA) and the Australian Catholic Bishops Conference (ACBC), we hope that our research and advocacy capacity can complement all church efforts aimed at relieving the plight of those who are poor or marginalised.



Co-location has been a shared and long held ambition for CSSA, CHA and the ACBC and also will enable greater efficiencies through sharing back of house services.

During this past year, we were all called to participate in the plebiscite on same sex marriage. Faithful to church teaching and sensitive to the pastoral needs of all persons including those living in same sex relationships and the children being raised and nurtured in such households, CSSA was happy to proclaim:

CSSA has no formal position on what enrolled voters should say in response to the voluntary survey being conducted by the ABS on whether the *Marriage Act* should be amended by the Australian Parliament to expand the definition of civil marriage to include a relationship between two persons of the same sex.

CSSA and its members are employers and service providers who happily affirm the dignity, gifts and personal commitments of all our employees and those whom we are privileged to serve. We never discriminate against persons on the basis of their sexuality or marital status.

Being a Catholic agency, CSSA operates under the auspices of the Catholic Bishops and accepts Church teaching on theological issues such as the sacramentality of marriage and the limits on what relationships are recognised by the Catholic Church as sacramental marriage.


I was happy to serve on the expert panel established by Prime Minister Malcolm Turnbull to examine whether Australian law adequately protects the human right to freedom of religion. Chaired by Philip Ruddock, the panel submitted its report to government in May 2018.

In the midst of all the challenges, we continue to be buoyed by the prophetic leadership of Pope Francis. One need only consider his recent observation on homelessness, the topic of the forthcoming social justice statement. Reflecting on the plight of those who suffer homelessness or who cannot access affordable housing, Pope Francis wrote in *Gaudete et Exsultate*:

If I encounter a person sleeping outdoors on a cold night, I can view him or her as an annoyance, an idler, an obstacle in my path, a troubling sight, a problem for politicians to sort out, or even a piece of refuse cluttering a public space. Or I can respond with faith and charity, and see in this person a human being with a dignity identical to my own, a creature infinitely loved by the Father, an image of God, a brother or sister redeemed by Jesus Christ.

At this moment in history, it is worth recalling that 2018 marks the 50th Anniversary of the epoch-making year 1968 which sparked student revolts and much else besides. 1968 was the year that Professor W E H Stanner delivered the Boyer Lectures entitled *After the Dreaming*. Those lectures were the wake-up call to Australia that we had violently dispossessed the First Australians and failed to honour their entitlement to self-determination. Fifty years on, we still have much to do. Our members working in places where Aboriginal Australians live constantly find that Aboriginal clients have a well above average need for our services. Stanner concluded those lectures, perhaps a touch too optimistically, when he said:





[T]he content of modern Australian history in respect of the Aborigines has shown heartening signs of conforming to Acton's principle – “the emancipation of conscience from authority”. The process may be inconvenient, but I hardly think it is now reversible, and I like to believe that its terminal is not as far off as it used to seem.’

1968 was also the year that Pope Paul VI published his encyclical on birth control, *Humanae Vitae*. For the last 50 years, Catholics have been debating the relationship between individual conscience and church teaching. Many of the people whom our members are privileged to serve are caught in life situations of considerable mess and complexity, often through no fault of their own. It is so heartening that Pope Francis has insisted:

Individual conscience needs to be better incorporated into the Church's praxis .... Naturally, every effort should be made to encourage the development of an enlightened conscience, formed and guided by the responsible and serious discernment of one's pastor, and to encourage an ever greater trust in God's grace. Yet conscience can do more than recognize that a given situation does not correspond objectively to the overall demands of the Gospel. It can also recognize with sincerity and honesty what for now is the most generous response which can be given to God, and come to see with a certain moral security that it is what God himself is asking amid the concrete complexity of one's limits, while yet not fully the objective ideal.

Our individual consciences are shaped in part by the community of which we are a part and by the consciences of others – both those who exercise authority and those who are powerless in society. Together we can imagine a better world and enact the preconditions for realising the vision.

I thank the CSSA Board, staff, and members for all that has been achieved in this past year. They have made a substantial contribution to help the people we serve to live more dignified lives achieving their full human flourishing in a society which makes a home for everyone. Our members are well situated to be the hands and heart of Christ in a needy world. Thank you for all you do, and thank you for all you are. Let there be light especially where there is darkness. Remember, it is better to light a candle than to curse the darkness.

## CSSA's advocacy voice and member connection

Joe Zabar

Our advocacy effort in 2017/18 involved a mix of submission making and appearances before various Government and Parliamentary inquiries. CSSA participated in more than half a dozen Parliamentary and Government inquiries and made or contributed to more than a dozen submissions. The range of issues covered was large including proposed changes to the energy supplement for welfare recipients, drug testing for Newstart recipients and the cashless debit card. CSSA also focussed on several inquiries relating to the current and future sustainability of members including around the NDIS, the Australian Charities and Not-for-profits Commission (ACNC) Review and compliance burdens associated with the Government's proposed Foreign Influence Transparency Scheme Bill.

In the 2017/18 Financial year CSSA also released its paper *An Economy that Works for All* which was launched at Parliament House during Anti-poverty week. This paper is a key part of CSSA's strategy to position itself in the area of economic and systemic policy reform and followed the Bishop's Annual Social Justice Statement *Everyone's Business – Developing an inclusive and sustainable economy*, which was launched by Fr Frank Brennan and former ACNC Commissioner Susan Pascoe AM. Prior to that we released our paper *The Human Face of Homelessness* which is the precursor to the 2018/19 Social Justice Statement *A Place to Call Home: Making a home for everyone in our land*.

Much of our advocacy is not visible, often done one-on-one with officials, senators, MPs and Ministers from all sides of the political divide. We continue to position CSSA as the go-to agency for policy makers bringing to bear the lived experience of Catholic social service providers operating on the front line in addressing complex issues affecting individuals and communities across Australia. I would like to acknowledge the availability and contributions of members which has assisted us greatly in our advocacy work including through the various working groups that have operated across the year.

Also this year CSSA/CSSV jointly hosted the 2018 national conference for Catholic social services 'Hearing, Healing, Hope' which was held from 21 to 23 February in Melbourne. The Conference was a great success and attended by over two hundred delegates from social services, health and aged care agencies, and parishes and dioceses across Australia. With the key messages of mercy, inclusivity and abiding hope, the program included a series of workshops and presentations that navigated both religious and secular challenges as well as underscoring the Church's role in serving the poor and the marginalised in our community. A publication drawing on the presentations and discussions at the Conference will also be published as an important resource for Catholics.



## FINANCIAL STATEMENTS

Catholic Social Services Australia

and Catholic Social Services Australia Ltd

For the Year Ended 30 June 2018



**Catholic Social  
Services Australia**

## **Financial Statements**

**For the Year Ended 30 June 2018**

# Catholic Social Services Australia

ABN: 18 810 059 716

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## Catholic Social Services Australia

ABN: 18 810 059 716

## Distribution of Profit and Loss

For the Year Ended 30 June 2018

### Statement from Board Members to Accompany Audit Accounts

We certify that Catholic Social Services Australia has applied the funds received from 1 July 2017 to 30 June 2018 from the Australian Catholic Bishops' Conference for the purposes for which it was given, and has complied with the terms and conditions applicable to the funding.



Dr Maria Patricia Harries AM



Mr Paul Charles Vane -Tempest

Canberra

Date: 15 October 2018

The accompanying notes form part of these financial statements.

## Catholic Social Services Australia

ABN: 18 810 059 716

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	4	1,589,933	1,860,147
<b>Expenditure</b>			
Administrative expenses		74,672	97,828
Board expenses		43,334	41,917
Computer and equipment		24,080	39,817
Consulting and professional fees		76,750	130,961
Depreciation expense		35,025	36,605
Donations		5,000	10,000
Events		8,548	54,175
Minor assets		-	1,217
Occupancy		57,392	99,320
Promotion and printing		28,435	30,267
Special projects		135,377	422,303
Staff wages		679,798	749,133
State allocation		192,454	93,878
Telecommunications		12,157	10,104
Travel		33,870	31,787
<b>Total Expenses</b>		<b>1,406,892</b>	<b>1,849,312</b>
<b>Surplus before income tax</b>		<b>183,041</b>	<b>10,835</b>
Income tax expense	2(a)	-	-
<b>Surplus for the year</b>		<b>183,041</b>	<b>10,835</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>183,041</b>	<b>10,835</b>

The accompanying notes form part of these financial statements.

## Catholic Social Services Australia

ABN: 18 810 059 716

### Statement of Financial Position As At 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	1,666,109	1,518,661
Trade and other receivables	6	146,326	25,332
<b>TOTAL CURRENT ASSETS</b>		<b>1,812,435</b>	<b>1,543,993</b>
NON-CURRENT ASSETS			
Property, plant and equipment	7	878,020	906,696
<b>TOTAL NON-CURRENT ASSETS</b>		<b>878,020</b>	<b>906,696</b>
<b>TOTAL ASSETS</b>		<b>2,690,455</b>	<b>2,450,689</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	8	175,698	134,502
Employee benefits	10	99,190	115,553
Other liabilities	9	310,930	247,890
<b>TOTAL CURRENT LIABILITIES</b>		<b>585,818</b>	<b>497,945</b>
NON-CURRENT LIABILITIES			
Employee benefits	10	4,139	35,287
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,139</b>	<b>35,287</b>
<b>TOTAL LIABILITIES</b>		<b>589,957</b>	<b>533,232</b>
<b>NET ASSETS</b>		<b>2,100,498</b>	<b>1,917,457</b>
<b>EQUITY</b>			
Transition project reserve	11	80,000	-
Asset realisation reserve		495,004	495,004
Retained earnings		1,525,494	1,422,453
<b>TOTAL EQUITY</b>		<b>2,100,498</b>	<b>1,917,457</b>

The accompanying notes form part of these financial statements.



## Catholic Social Services Australia

ABN: 18 810 059 716

### Statement of Changes in Equity For the Year Ended 30 June 2018

2018

	Retained Earnings	Asset Revaluation Surplus	Transition Project Reserve	Total
Note	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>1,422,453</b>	<b>495,004</b>	-	<b>1,917,457</b>
Surplus for the year	183,041	-	-	183,041
Transfers from retained earnings to reserve	11 (80,000)	-	80,000	-
<b>Balance at 30 June 2018</b>	<b>1,525,494</b>	<b>495,004</b>	<b>80,000</b>	<b>2,100,498</b>

2017

	Retained Earnings	Asset Revaluation Surplus	General Reserve	Total
Note	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>1,411,617</b>	<b>495,004</b>	-	<b>1,906,621</b>
Surplus for the year	10,836	-	-	10,836
<b>Balance at 30 June 2017</b>	<b>1,422,453</b>	<b>495,004</b>	-	<b>1,917,457</b>

The accompanying notes form part of these financial statements.

## Catholic Social Services Australia

ABN: 18 810 059 716

### Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts in the course of operation	1,513,908	2,054,183
Payments in the course of operation	(1,378,182)	(1,851,173)
Interest received	18,071	15,498
Net cash provided by operating activities	15	218,508
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(6,349)	(11,122)
Net cash used by investing activities	(6,349)	(11,122)
Net increase in cash and cash equivalents held	147,448	207,386
Cash and cash equivalents at beginning of year	1,518,661	1,311,275
Cash and cash equivalents at end of financial year	5	1,518,661

The accompanying notes form part of these financial statements.

# Catholic Social Services Australia

ABN: 18 810 059 716

## Notes to the Financial Statements For the Year Ended 30 June 2018

The financial report covers Catholic Social Services Australia as an individual entity. Catholic Social Services Australia is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Catholic Social Services Australia is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

In the opinion of those charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have 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 recognition and measurement requirements of the 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*.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

#### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

#### Donations

Any gift monies received are deposited directly into the Catholic Social Services Australia Assistance Fund and recognised when deposited

#### Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets

#### Member Fees

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2018**

#### **2 Summary of Significant Accounting Policies**

##### **(b) Revenue and other income**

###### **Grant revenue**

Grants are assistance by organisations in the form of transfers of resources to the entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Grants include assistance where there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors.

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

##### **(c) 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.

##### **(d) Property, plant and equipment**

Assets, excluding, artwork and land and buildings, acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition less accumulated depreciation and impairment.

Artwork is recorded at its fair value based on periodic valuation by external independent valuers. Land and buildings are recorded at fair value less accumulated depreciation.

Artwork has been determined to have an indefinite useful life. As such, these assets are not depreciated.

Depreciation is provided on property, plant and equipment, including leasehold buildings but excluding land.

Depreciation is calculated on a systematic basis so as to write off the net cost of each asset over its expected useful life to its estimated value.

Increases in the carrying amount arising on revaluation of artwork is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

(d) **Property, plant and equipment**

reserve. All other decreases are recognised in the statement of comprehensive income.

**Depreciation**

The estimated useful lives used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Useful life</b>
Buildings	40 years
Furniture, Fixtures and Fittings	3-5 years
Computer Equipment	3-6 years

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.

(e) **Impairment of non-financial assets**

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(f) **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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2018**

#### **2 Summary of Significant Accounting Policies**

##### **(g) Employee benefits**

Provision is made for the Association'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 one year 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

##### **(h) Assistance Fund**

This represents monies held in trust through donations received from the public for the Catholic Social Services Australia Assistance Fund, the objectives of which are:

- provision of relief for necessitous circumstances;
- provide assistance to other public benevolent institutions;
- plan for and assist underprivileged and neglected families; and
- to alleviate suffering, distress and poverty in Australia.

#### **3 Critical Accounting Estimates and Judgments**

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - impairment of property, plant and equipment**

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

##### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

# Catholic Social Services Australia

ABN: 18 810 059 716

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 4 Revenue and Other Income

	2018	2017
	\$	\$
Operating revenue		
- ACBC funding	367,500	362,000
- Annual forum registrations	-	44,815
- CCI funding	59,966	66,264
- Grant income	20,000	20,000
- Membership fees	1,084,349	1,052,027
	<u>1,531,815</u>	<u>1,545,106</u>
Other revenue		
- Interest received	18,071	15,498
- Rental revenue	-	1,071
- Special projects	-	270,000
- Sundry income	39,547	27,972
- Donations	500	500
	<u>58,118</u>	<u>315,041</u>
<b>Total Revenue</b>	<u><b>1,589,933</b></u>	<u><b>1,860,147</b></u>

### 5 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	159	245
Cash at bank	1,450,986	1,305,585
Assistance fund	214,964	212,831
	<u>1,666,109</u>	<u>1,518,661</u>

#### Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2018	2017
	\$	\$
Cash and cash equivalents	<u>1,666,109</u>	<u>1,518,661</u>
<b>Balance as per statement of cash flows</b>	<u><b>1,666,109</b></u>	<u><b>1,518,661</b></u>

## Catholic Social Services Australia

ABN: 18 810 059 716

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 6 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	127,772	5,184
Prepayments	2,903	6,637
GST receivable	15,029	12,685
Other receivables	622	826
<b>Total current trade and other receivables</b>	<b>146,326</b>	<b>25,332</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### 7 Property, plant and equipment

	2018	2017
	\$	\$
Buildings		
At fair value	860,001	860,001
Accumulated depreciation	(86,000)	(64,500)
Total land and buildings	<b>774,001</b>	<b>795,501</b>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	146,588	147,139
Accumulated depreciation	(143,584)	(141,910)
Total furniture, fixtures and fittings	<b>3,004</b>	<b>5,229</b>
Computer equipment		
At cost	158,777	159,147
Accumulated depreciation	(147,762)	(143,181)
Total computer equipment	<b>11,015</b>	<b>15,966</b>
Art work		
At fair value	90,000	90,000
Total Art work	<b>90,000</b>	<b>90,000</b>
Total plant and equipment	<b>104,019</b>	<b>111,195</b>
<b>Total property, plant and equipment</b>	<b>878,020</b>	<b>906,696</b>



## Catholic Social Services Australia

ABN: 18 810 059 716

### Notes to the Financial Statements

For the Year Ended 30 June 2018

#### 7 Property, plant and equipment

##### (a) Movements in carrying amounts of 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	Furniture, Fixtures and Fittings	Computer Equipment	Art work	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>					
Balance at the beginning of year	795,501	5,229	15,966	90,000	906,696
Additions	-	-	1,150	-	1,150
Depreciation expense	(21,500)	(2,225)	(6,101)	-	(29,826)
<b>Balance at the end of the year</b>	<b>774,001</b>	<b>3,004</b>	<b>11,015</b>	<b>90,000</b>	<b>878,020</b>

	Buildings	Furniture, Fixtures and Fittings	Computer Equipment	Art work	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>					
Balance at the beginning of year	817,001	897	19,974	90,000	927,872
Additions	-	6,209	4,913	-	11,122
Disposals	-	(43)	(850)	-	(893)
Depreciation expense	(21,500)	(1,834)	(8,071)	-	(31,405)
<b>Balance at the end of the year</b>	<b>795,501</b>	<b>5,229</b>	<b>15,966</b>	<b>90,000</b>	<b>906,696</b>

## Catholic Social Services Australia

ABN: 18 810 059 716

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 7 Property, plant and equipment

##### (b) Assets revaluations

The Lease over the land is a concessional lease of 99 years and commenced on 18 August 1965 and terminates on 17 August 2064. The valuation therefore was only the fair value of the Building Improvements. During the 2013 - 14 financial year the item was independently valued by Jones Lang LaSalle Advisory Services Pty Ltd. The valuation of \$860,001 was based on Australian Accounting Standards Board - AASB 13 Fair Value Measurement. The valuation method used was the Cost Approach. The Cost Approach reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost). The price that would be received for the asset is based on the cost to a market participant buyer to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence. The valuation resulted in a revaluation increment of \$420,003 being recognised in the asset revaluation reserve for the year ended 30 June 2014. The asset was not revalued at 30 June 2018.

Catholic Social Services disposed of Block 2, Section 61, 22 Theodore Street Curtin for \$1,375,000 inclusive of GST in July 2018 to an independent party.

The artwork was gifted to Catholic Social Services Australia's antecedent body in 1991 for advancing the work of the Australian Catholic Social Welfare Commission. It has been shown in the account for past years at \$15,000 but during the 2011 - 12 financial year and in accordance with the accounting conventions, the item was independently valued by Helen Maxwell, who has been approved by the Commonwealth Government of Australia under its Cultural Gifts Program to provide valuations of Australian Artwork. The valuation of \$90,000 was based on fair value less cost to sell. The critical assumptions adopted in determining the valuation included the content of the artwork, the rare nature of the artwork and the value of other works by the same artist. The valuation resulted in a revaluation increment of \$75,000 being recognised in the asset revaluation reserve for the year ended 30 June 2012. The asset was not revalued at 30 June 2018.

#### 8 Trade and Other Payables

	2018	2017
	\$	\$
Current		
Trade payables	127,645	80,441
Accrued expenses	20,654	23,482
Other payables	27,399	30,579
	<u>175,698</u>	<u>134,502</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

#### 9 Other Liabilities

	2018	2017
	\$	\$
CURRENT		
NSW Bishop grant	-	20,000
Memberships in advance	310,930	223,800
FSP Collaboration received in advance	-	4,090
	<u>310,930</u>	<u>247,890</u>

# Catholic Social Services Australia

ABN: 18 810 059 716

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 10 Employee Benefits

	2018	2017
	\$	\$
Current liabilities		
Annual leave provision	45,200	68,209
Long service leave	53,990	47,344
	<u>99,190</u>	<u>115,553</u>
	2018	2017
	\$	\$
Non-current liabilities		
Long service leave	4,139	35,287
	<u>4,139</u>	<u>35,287</u>

### 11 Transition Project Reserve

During the financial year the board agreed to allocate \$80,000 from its retained earnings to create a transitional project reserve. This reserve is to be used to assist Catholic Social Services Australia in its transition to a new structure.

## Catholic Social Services Australia

ABN: 18 810 059 716

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 12 Related Parties

Catholic Social Services (Australia) Limited has the same board as Catholic Social Services Australia. The names of persons who were Board Members of Catholic Social Services Australia and the directors of Catholic Social Services (Australia) Limited at any time during the financial year are as follows:

Most Reverend Paul Bird CSsR	Mr John Francis Xavier de Groot
Sr Margaret Mary Flynn ibvm	Dr Maria Patricia Harries AM
Ms Barbara Jane Hingston	Mr Paul Richard Jensen
Mr Michael Thomas King	Ms Paula Maree La Rosa
Dr Robyn Maree Miller	Mr Peter Desmond Selwood
Sr Kathleen Mary Tierney RSM AO	Mr Paul Charles Vane-Tempest

#### (a) Other Related Parties

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Association under common control of key management personnel:

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
Funding provided from Catholic Social Services Australia Ltd	4	-	270,000
		<u>-</u>	<u>270,000</u>

#### 13 Auditors' Remuneration

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor Hardwickes Chartered Accountants, for:		
- Auditing and reviewing the financial statements	<u>9,000</u>	9,000
<b>Total</b>	<u><b>9,000</b></u>	<u><b>9,000</b></u>

#### 14 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2018 (30 June 2017:None).

## Catholic Social Services Australia

ABN: 18 810 059 716

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 15 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:

	2018	2017
	\$	\$
Surplus for the year	183,041	10,836
Non-cash flows in profit:		
- Depreciation	35,025	31,405
- Net loss on disposal of plant and equipment	-	893
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(120,994)	12,006
- increase/(decrease) in income in advance	63,040	140,438
- increase/(decrease) in trade and other payables	41,196	14,251
- increase/(decrease) in employee benefits	(47,511)	8,679
Cashflows from operations	<u>153,797</u>	<u>218,508</u>

#### 16 Events Occurring After the Reporting Date

Catholic Social Services disposed of Block 2, Section 61, 22 Theodore Street Curtin for \$1,375,000 inclusive of GST in July 2018 to an independent party.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

#### 17 Statutory Information

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

Catholic Social Services Australia  
Level 2, Favier House  
51 Cooyong Street  
Braddon ACT 2612

#### 18 Additional information

Catholic Social Services Australia is a commission of the Australian Catholic Bishops' Conference and is responsible to the Catholic Bishops, the Leaders of Religious Institutes and its member organisations through a Board.

Membership of Catholic Social Services Australia is drawn from Catholic social service organisations operating under the authority of a diocesan bishop or a religious order and from Catholic lay organisations. There were 52 members as at 30 June 2018.

Catholic Social Services NSW/ACT operated through the accounts of the entity during the financial year. Of the income received during the financial year \$107,809 (2017: \$109,345) was received on behalf of the NSW/ACT branch.

**Catholic Social Services Australia**

ABN: 18 810 059 716

**Statement by Members of the Board**

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

- There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- 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-profit Commission Regulation 2013*.



Responsible person .....  
Dr Maria Patricia Harries AM



Responsible person .....  
Mr Paul Charles Vane-Tempest

Date: 15 October 2018

## Independent Audit Report to the members of Catholic Social Services Australia

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report, being a special purpose financial report of Catholic Social Services Australia (the Company), which comprises the statement of financial position as at 30 June 2018, 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 managements' assertion statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 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 Company in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### 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 to assist the Company to meet the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines 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.

In preparing the financial report, management is responsible for assessing the the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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 the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hardwickes  
Chartered Accountants



Robert Johnson FCA  
Partner

Canberra  
15 October 2018







## **Financial Statements**

**For the Year Ended 30 June 2018**

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

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# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Directors' Report For the Year Ended 30 June 2018

The directors present their report on Catholic Social Services (Australia) Limited for the financial year ended 30 June 2018.

### General information

### Directors information

The names of the directors in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Most Reverend Paul Bird CSsR	Director	
Mr John Francis Xavier de Groot	Deputy Chairperson	Ceased May 2018
Sr Margaret Mary Flynn ibvm	Director	Ceased December 2017
Dr Maria Patricia Harries AM	Chairperson	
Ms Barbara Jane Hingston	Director	Ceased October 2017
Mr Paul Richard Jensen	Director	Ceased June 2018
Mr Michael Thomas King	Director	
Ms Paula Maree La Rosa	Director	Ceased December 2017
Dr Robyn Maree Miller	Director	Appointed October 2017
Mr Peter Desmond Selwood	Director	Ceased December 2017
Sr Kathleen Mary Tierney RSM AO	Director	Appointed May 2018
Mr Paul Charles Vane-Tempest	Director	

Directors have been in office since the start of the 2017-18 financial year to the date of this report unless otherwise stated.

<b>Most Reverend Paul Bernard Bird CSsR</b>	Board Director
Qualifications	Bishop of Ballarat
Experience	Board Director from May 2016. Member of the Bishops' Commission for Health and Community Services. Member Centacare, Diocese of Ballarat Inc. Trustee Roman Catholic Trust Corporation for the Diocese of Ballarat.
Appointed / Elected	Australian Catholic Bishops' Conference appointee as Bishops Commission for Health and Community Services representative.
<b>Mr John Francis Xavier de Groot</b>	Director until May 2018
Qualifications	BA, Studies in Philosophy and Theology, AICD Member, AIM Member
Experience	Board Director from May 2015. CEO, St Vincent de Paul Society NSW. Chairman Jesuit Mission Australia. Trustee Jesuit Mission Australia. Previous Experience: CEO Caritas Australia, Group Mission Leader St Vincent's Health Australia. Board Member St John of God Healthcare. Vice President ACFID. Executive Committee Member Caritas Internationalis
Special responsibilities	Deputy Chair, from November 2017 to May 2018. Member of the Mission and Governance Committee
Appointed / Elected	Australian Catholic Bishops' Conference Appointee

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Directors' Report For the Year Ended 30 June 2018

### General information

#### **Sr Margaret Mary Flynn ibvm**

Qualifications

Director until December 2017

BA, Dip. Ed, B.Ed. (Counselling), B. Theology, Member of Alumni of the Stanford Non Profit Executive Leaders Program

Experience

Board Director from May 2012. Province Leader Loreto Sisters. Director, Mary Ward International Australia. Trustee Mary Philippa Brazill Foundation. Previous Director Centacare Wilcannia Forbes

Special responsibilities

Member of the Mission and Governance Committee

Appointed / Elected

Catholic Religious Australia Representative, Australian Catholic Bishops' Conference Appointee

#### **Dr Maria Patricia Harries AM**

Qualifications

Chairperson

PhD, Murdoch University, Master of Social Administration, Masters Prelim, Diploma of Social Studies, Bachelor of Arts

Experience

Board Chairperson from November 2013. Lotterywest Commissioner/Director. Forgotten Australians (FACT) Board Member. Tabor College Academic Committee Board Member. Chair Headspace Midland. Truth Justice and Healing Council Member. Adjunct Professor, Curtin University. Senior Honorary Research Fellow, The University of Western Australia.

Special responsibilities

Chairperson of Board, Ex officio member of all CSSA Ltd Committees

Appointed / Elected

Australian Catholic Bishops' Conference Appointee

#### **Ms Barbara Jane Hingston**

Qualifications

Director until October 2017

Bachelor of Social Work (BSW)

Bachelor of Arts in Administration (BA Admin)

Graduate Member Australian Institute of Company Directors (GAICD) Member, Australian Association of Social Workers (MAASW)

Experience

Board Director from November 2012; Director, Dental Health Services Victoria; Director, Tasmania Health Service Governing Council; Director, Lady Gowrie Tasmania. Former Director, Headspace, National Youth Mental Health Foundation Ltd; Director (2009 2016).

Special responsibilities

Chair of the Mission and Governance Committee until October 2017

Appointed / Elected

Australian Catholic Bishops' Conference Appointee

#### **Mr Paul Richard Jensen**

Qualifications

Director until June 2018

Bachelor Applied Science – Geology, Bachelor of Theology, Bachelor of Psychology (Hons), Advanced Diploma of Management, Graduate Diploma Family Dispute Resolution.

Experience

Board Director from November 2016. Chief Executive Officer, Centacare South West NSW

Special responsibilities

Chair of the Mission and Governance Committee from October 2017, Member of the Finance, Audit and Risk Management Committee until October 2017

Appointed / Elected

Member Organisation elected representative

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Directors' Report For the Year Ended 30 June 2018

### General information

#### **Mr Michael Thomas King**

Qualifications

Experience

Special responsibilities

Appointed / Elected

Director

BA Sociology/Politics

Board Director from November 2016. Chief Executive Officer, Centacare Kimberley Association Inc, Previous: WA state representative for national quality framework (homelessness standards).

Member of the Mission and Governance Committee until November 2017, Member of the Finance Audit and Risk Management Committee from November 2017

Member Organisation elected representative

#### **Ms Paula Maree La Rosa**

Qualifications

Experience

Special responsibilities

Appointed / Elected

Director until November 2017

Master of Business Administration, Bachelor of Social Work, Grad Cert Catholic Identity & Leadership

Board Director since November 2011. Deputy Director, Centacare North Queensland.

Chair of the Membership Committee

Member Organisation elected representative.

#### **Dr Robyn Maree Miller**

Qualifications

Experience

Special responsibilities

Appointed / Elected

Director from October 2017

PhD Latrobe University, Masters of Family Therapy – La Trobe University, Graduate Diploma of Family Therapy – La Trobe University, Bachelor of Social Science (Social Work) – R.M.I.T. Member Australian Association of Social Workers. Clinical Member of the Victorian Association of Family Therapists

Chief Executive Officer, MacKillop Family Services. Director Catholic Professional Standards Ltd. Specialist Consultant – Policy and Research (vulnerable children) Royal Commission on Institutional Responses to Child Sexual Abuse. Chair Victorian Protective Schools Taskforce. Member Victorian Roadman Implementation Advisory Group. Member Victorian Child Death Review Committee. Member of Therapeutic Treatment Board 2007-09.

Member Mission and Governance Committee

Australian Catholic Bishops' Conference Appointee

#### **Mr Peter Desmond Selwood**

Qualifications

Experience

Special responsibilities

Appointed / Elected

Director until December 2017

Diploma of Financial Services, Bachelor of Business Accounting, Graduate Diploma Health Administration, Master of Business Administration, Fellow of CPA Australia, Fellow of Australian Institute of Company Directors

Board Director from 2010. Executive Director Centacare Brisbane Board Director, Mercy Health and Aged Care Central Queensland Limited. Previous Director, Australian Catholic Superannuation and Retirement Fund.

Deputy Chair, Chair of Finance, Audit and Risk Management Committee

Co-opted Advisor to the Board

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Directors' Report

For the Year Ended 30 June 2018

### General information

#### **Kathleen Mary Tierney RSM AO**

Qualifications

Experience

Director from May 2018

Bachelor of Business (Accounting)

Member of Religious Congregation – Institute of Sisters of Mercy of Australia and Papua New Guinea.

Director McAuley Ministries Ltd, Director/Treasurer McAuley Community Services for Women. Member of Company MacKillop Family Services. Director Catholic Capital Grants (Victoria) Ltd. Member Professional Standards Resource Group Victoria. Member Advisory Board Pallotti College. Member Archdiocese of Melbourne Diocesan Finance Council. Member World Youth Day Committee (Victoria). Member Christian Brothers Professional Standards Advisory Group. Member Sisters of Good Samaritan Safeguarding Advisory Group

Special responsibilities

Appointed / Elected

Member Mission and Governance Committee

Catholic Religious Australia Representative, Australian Catholic Bishops' Conference Appointee

#### **Mr Paul Charles Vane-Tempest**

Qualifications

Experience

Special responsibilities

Appointed / Elected

Director

Bachelor of Laws, Admitted in New South Wales (1989) and the Australian Capital Territory (1995)

Board Director from May 2015. Partner Ashurst Australia

Member of the Finance, Audit and Risk Management Committee, Chair from November 2017

Australian Catholic Bishops' Conference appointee.

### Principal activities

The principal activities of Catholic Social Services (Australia) Limited during the financial year were to support the objectives as set down in the Memorandum and Articles of Association particularly the relief of poverty and the welfare of people in general within the Australian community and in doing so, advocating the adoption of Catholic values and principles relating to such community issues.

No significant changes in the nature of the Company's activity occurred during the financial year.

### Short term objectives

The Company's short term objectives are set down in its Statement of Strategic Intent, particularly:

- To advocate for people who are poor, vulnerable and disadvantaged, recognising the particular circumstances of many Indigenous people
- To develop and strengthen the Catholic social services sector in Australia in order to improve the provision of social services to all Australians who are poor, vulnerable and disadvantaged
- To foster and further develop Catholic identity among member organisations
- To assist Catholic Social Services Australia's members in addressing the key community sector priorities
- To ensure the capacity and sustainability of Catholic Social Services Australia to deliver the strategic priorities

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Directors' Report For the Year Ended 30 June 2018

### General information

### Long term objectives

The Company's long term objectives are to advance the social service ministry which is integral to the mission of the Catholic Church in Australia leading to a fairer, more inclusive Australian society that reflects and supports the dignity, equality and participation of all people.

Regular reviews of progress against objectives are undertaken and presented to members and other stakeholders.

### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- The entity draws on the experience of decades of Catholic social service and social policy development in Australia. It serves the Bishops of Australia, Leaders of Religious Institutes, Catholic social service organisations and the broader Church community in advancing the social service ministry of the Church.
- The entity measures its success through the strength of its partnerships with these peak Catholic organisations; through its strong membership base across the Catholic social services sector; and through projects and activities undertaken with other organisations and members of the general community.
- The entity carries out its Mission by interacting with Catholic organisations, governments, other churches and all people of goodwill, to develop social welfare policies, programs and other strategic responses that enhance the human dignity of every person and work towards the economic, social and spiritual wellbeing of the Australian community.
- The entity measures its success through its engagement with various organisations and individuals to produce high quality evidence based social service policy, and through its efforts to advance that policy for the benefit of vulnerable and needy Australians.

### Members' guarantee

Catholic Social Services (Australia) Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$1 for members that are corporations and \$ NIL for all other members, subject to the provisions of the company's constitution.

At 30 June 2018 the collective liability of members was \$7 (2017: \$10)

### Operating results

The profit of the Company after providing for income tax amounted to \$ 16,431 (2017: loss \$248,544).

### Other items

### Matters or circumstances arising after the end of the year

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

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Directors' Report For the Year Ended 30 June 2018

### Other items

### Benefits received directly or indirectly by officers

No Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any Director or with the firm of which they are a member, or with a company in which they have any substantial financial interest.

### Meetings of directors

During the financial year, 8 meetings of directors (including 6 committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Most Reverend Paul Bird CSsR	2	1
Mr John Francis Xavier de Groot	3	2
Sr Margaret Mary Flynn ibvm	2	-
Dr Maria Patricia Harries AM	8	8
Ms Barbara Jane Hingston	2	-
Mr Paul Richard Jensen	4	4
Mr Michael Thomas King	5	5
Ms Paula Maree La Rosa	2	2
Dr Robyn Maree Miller	4	2
Mr Peter Desmond Selwood	2	2
Sr Kathleen Mary Tierney RSM AO	2	2
Mr Paul Charles Vane-Tempest	5	5

### Indemnification and insurance of officers and auditors

During the financial year, the Company paid a premium to insure officers of the Company.

The officers of the Company covered by the insurance policy include all staff and non-working Directors of the Company, both past and present.

The liabilities insured include costs and expenses that may be incurred in successfully defending civil or criminal proceedings that may be brought against the officer in their capacity as officers of the Company.



**Catholic Social Services (Australia) Limited**

ABN: 49 061 834 197

**Directors' Report  
For the Year Ended 30 June 2018**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under the *Australian Charities and Not for Profits Commission Act 2012* is set out on page 8.

Signed in accordance with a resolution of the Board of Directors:



Director: .....  
Dr Maria Patricia Harries AM



Director: .....  
Mr Paul Charles Vane-Tempest

Date: 15 October 2018

## **Auditors Independence Declaration under Section 60 - 40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Catholic Social Services (Australia) Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.

Hardwickes  
Chartered Accountants



Robert Johnson FCA  
Partner

15 October 2018

Canberra

## Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Other income	4	24,203	28,662
Special projects	5	-	(270,000)
Administration and other fees	5	(7,772)	(7,206)
<b>Net current year profit/(loss) attributable to member of the entity</b>		<b>16,431</b>	<b>(248,544)</b>
Income tax expense		-	-
<b>Profit/(Loss) for the year</b>		<b>16,431</b>	<b>(248,544)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year attributable to member of the entity</b>		<b>16,431</b>	<b>(248,544)</b>

The accompanying notes form part of these financial statements.

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Statement of Financial Position

As At 30 June 2018

		2018	2017
	Note	\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	117,871	105,218
Trade and other receivables	7	4,690	4,525
Short term investments	8	1,000,000	1,000,000
TOTAL CURRENT ASSETS		<u>1,122,561</u>	<u>1,109,743</u>
TOTAL ASSETS		<u>1,122,561</u>	<u>1,109,743</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	3,300	6,913
TOTAL CURRENT LIABILITIES		<u>3,300</u>	<u>6,913</u>
TOTAL LIABILITIES		<u>3,300</u>	<u>6,913</u>
NET ASSETS		<u>1,119,261</u>	<u>1,102,830</u>
<b>EQUITY</b>			
Retained surplus		<u>1,119,261</u>	<u>1,102,830</u>
TOTAL EQUITY		<u>1,119,261</u>	<u>1,102,830</u>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Retained Surplus	Total
	\$	\$
<b>Balance at 1 July 2017</b>	<b>1,102,830</b>	<b>1,102,830</b>
Net current year profit attributable to member of the equity	<b>16,431</b>	<b>16,431</b>
<b>Balance at 30 June 2018</b>	<b>1,119,261</b>	<b>1,119,261</b>

2017

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2016</b>	1,351,374	1,351,374
Net current year (loss) attributable to member of the equity	(248,544)	(248,544)
<b>Balance at 30 June 2017</b>	<b>1,102,830</b>	<b>1,102,830</b>

## Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

### Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Payments in the course of operations	(11,550)	(273,293)
Interest received	24,203	28,854
	<u>12,653</u>	<u>28,854</u>
Net cash provided by/(used in) operating activities	16 <u>12,653</u>	<u>(244,439)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from / (Purchase of) term deposits	-	225,439
	<u>-</u>	<u>225,439</u>
Net cash used by investing activities	<u>-</u>	<u>225,439</u>
Net (decrease) in cash and cash equivalents held	12,653	(19,000)
Cash and cash equivalents at beginning of year	<u>105,218</u>	<u>124,218</u>
Cash and cash equivalents at end of financial year	6 <u>117,871</u>	<u>105,218</u>

The accompanying notes form part of these financial statements.

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

The financial report covers Catholic Social Services (Australia) Limited as an individual entity. Catholic Social Services (Australia) Limited is a not-for-profit Company limited by guarantee, registered and domiciled in Australia.

The functional and presentation currency of Catholic Social Services (Australia) Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

These general purpose financial statements that have been prepared in accordance with *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Revenue and other income

##### Donations

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet. Donation monies received are deposited directly into the Catholic Social Services (Australia) Limited Gift Fund.

##### Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

#### (c) Goods and services tax (GST)

Revenue, 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 (ATO).

Receivables and payable are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (d) 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.

#### (e) Employee benefits

There were no employees during the financial year and so no amount has been set aside for employee benefits.

#### (f) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement after no more than 30 days from the date of recognition. Outstanding trade debts are reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

#### (g) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (h) Gift Fund

This represents monies held in trust through donations received from the public for the Catholic Social Services (Australia) Limited Gift Fund; the objectives of which are

- Provision of relief for people in necessitous circumstances;
- to provide assistance to other public benevolent institutions;
- to plan for and assist underprivileged and neglected families; and
- to alleviate suffering, distress and poverty in Australia.

#### (i) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2018**

#### **2 Summary of Significant Accounting Policies**

##### **(i) Financial instruments**

###### **Initial recognition and measurement**

###### **Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

###### *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

###### *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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

###### *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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

###### *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (i) Financial instruments

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

#### *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised

#### **Impairment**

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity 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 discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is 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 profit or loss.

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (i) Financial instruments

##### Impairment

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

#### (j) Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible 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 of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows, that is, they are specialised assets held for continuing use of their service capacity, the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

## Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

### Notes to the Financial Statements For the Year Ended 30 June 2018

#### 2 Summary of Significant Accounting Policies

##### (k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards	Applicable to annual reporting periods beginning or after 1 January 2018	The Standard will be applicable retrospectively (subject to the provisions on hedge accounting) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.	It is impractical at this stage to provide a reasonable estimate of such impact
AASB 16: Leases	Applicable to annual reporting periods beginning or after 1 January 2019	The transitional provisions of AASB 16 allows a lessee to either retrospectively apply the Standard to a comparatives in line with the AASB 108: Accounting policies, changes in the accounting estimates and errors or recognise the cumulative effect of the retrospective application as an adjustment to opening equity on the date of initial application.	It is impractical at this stage to provide a reasonable estimate of such impact

#### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 4 Other Income

	2018	2017
	\$	\$
Other Income		
- Interest income	24,203	28,662
	<u>24,203</u>	<u>28,662</u>

### 5 Expenses

	2018	2017
	\$	\$
<b>Administration and other fees</b>		
- Accounting and other professional fees	3,600	3,080
- Other expenses	4,172	4,126
	<u>7,772</u>	<u>7,206</u>
<b>Ministry Leadership Program, CSSA Projects: communications, membership and policy projects</b>		
- Special projects	-	270,000
	<u>7,772</u>	<u>277,206</u>

### 6 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank	72,289	59,863
Gift fund	45,582	45,355
	<u>117,871</u>	<u>105,218</u>

### 7 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Prepayments	3,435	3,270
Accrued interest	1,255	1,255
<b>Total current trade and other receivables</b>	<u>4,690</u>	<u>4,525</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 8 Short Term Investments

	2018	2017
	\$	\$
CURRENT		
Term deposits	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

### 9 Trade and Other Payables

	2018	2017
Note	\$	\$
Current		
Trade payables	-	3,913
Accrued expense	3,300	3,000
	<u>3,300</u>	<u>6,913</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

### 10 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

#### Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk.

#### Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Investments in Term deposits

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 10 Financial Risk Management

- Trade and other payables

#### Summary Table

	2018	2017
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	117,871	105,218
Short term investment	1,000,000	1,000,000
Trade and other receivables	4,689	4,525
<b>Total financial assets</b>	<b>1,122,560</b>	<b>1,109,743</b>
<b>Financial Liabilities</b>		
Trade and other payables	(3,300)	(6,913)
<b>Total financial liabilities</b>	<b>(3,300)</b>	<b>(6,913)</b>

#### Objectives, policies and processes

Those charged with governance receives overall responsibility for the establishment of Catholic Social Services (Australia) Limited's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Catholic Social Services (Australia) Limited's activities.

Those charged with governance receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Catholic Social Services (Australia) Limited does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

#### Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 10 Financial Risk Management

#### Liquidity risk

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The Company's liabilities have contractual maturities which are summarised below:

	Not later than 1 month		Total	
	2018	2017	2018	2017
	\$	\$	\$	\$
Trade payables	3,300	6,913	3,300	6,913
<b>Total</b>	<b>3,300</b>	<b>6,913</b>	<b>3,300</b>	<b>6,913</b>

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Those charged with governance receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Company's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.



# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 10 Financial Risk Management

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

#### (i) Interest rate risk

The Company is exposed to interest rate risk as funds are invested in term deposit at fixed rates.

### 11 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company. At 30 June 2018 the number of members was 7 (2017: 10).

### 12 Remuneration and Retirement Benefits

The Directors are not entitled to any remuneration or retirement benefits for their services. The Directors act in an honorary capacity and do not receive an honorarium.

### 13 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor Hardwickes Chartered Accountants, for:)		
- auditing or reviewing the financial statements	3,300	3,000
<b>Total</b>	<b>3,300</b>	<b>3,000</b>

### 14 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

### 15 Related Parties

#### (a) Directors

The names of persons who were directors at any time during the financial year are as follows:

Most Reverend Paul Bird CSsR	Mr Paul Richard Jensen
Mr John Francis Xavier de Groot	Mr Michael Thomas King
Sr Margaret Mary Flynn ibvm	Ms Paula Maree La Rosa
Dr Maria Patricia Harries AM	Mr Peter Desmond Selwood

# Catholic Social Services (Australia) Limited

ABN: 49 061 834 197

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 15 Related Parties

#### (a) Directors

Ms Barbara Jane Hingston

Mr Paul Charles Vane-Tempest

Dr Robyn Maree Miller

Sr Kathleen Mary Tierney RSM AO

#### (b) Other Related Parties

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Association under common control of key management personnel:

	2018	2017
	\$	\$
Funding provided to Catholic Social Services Australia	-	270,000
	<u>-</u>	<u>270,000</u>

### 16 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

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

	2018	2017
	\$	\$
(Loss) for the year	16,431	(248,544)
Changes in assets and liabilities:		
- (increase)/decrease in accrued income	-	192
- (increase)/decrease in prepayments	(165)	-
- increase/(decrease) in trade and other payables	(3,613)	3,913
Cashflows from operations	<u>12,653</u>	<u>(244,439)</u>

### 17 Events after the end of the Reporting Period

The financial report was authorised for issue on 12 October 2018 by those charged with governance.

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

## **Catholic Social Services (Australia) Limited**

ABN: 49 061 834 197

### **Notes to the Financial Statements For the Year Ended 30 June 2018**

#### **18 Statutory Information**

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

Catholic Social Services (Australia) Limited  
Level 2, Favier House  
51 Cooyong Street  
BRADDON ACT 2612

**Catholic Social Services (Australia) Limited**

ABN: 49 061 834 197

**Responsible Persons' Declaration**

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

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- 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-profit Commission Regulation 2013*.



Responsible person .....  
Dr Maria Patricia Harries AM



Responsible person .....  
Mr Paul Charles Vane-Tempest

Date: 15 October 2018

## Independent Audit Report to the members of Catholic Social Services (Australia) Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Catholic Social Services (Australia) Limited (the Company), which comprises the statement of financial position as at 30 June 2018, 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 those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

#### 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 Company in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines 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.

In preparing the financial report, management is responsible for assessing the the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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 the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hardwickes  
Chartered Accountants



Robert Johnson FCA  
Partner

Canberra  
15 October 2018