



CARE AUSTRALIA

ABN 46 003 380 890

FINANCIAL REPORT

For the year ended 30 June 2024

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DIRECTORS' REPORT

The Directors submit their report for the year ended 30 June 2024.

Board of Directors

The names of the Board Members in office during the financial year are as follows.

<i>Chair</i>	Marcus Laithwaite (from 6 March 2020, Board member from 21 July 2017)
<i>Treasurer</i>	Joseph Tesvic (from 6 March 2020, Board member from 6 September 2016)
<i>Board Members</i>	Dr Phoebe Wynn-Pope (from 26 October 2018)
	Diana Nicholson (from 26 July 2019)
	Peter Varghese AO (from 26 July 2019)
	Joanne Thomson (from 20 May 2021)
	Morgana Ryan (from 20 May 2021 – 31 January 2024)

Directors' Report Cont'd

As at the date of this report, CARE Australia (the Company) had the following standing committees: International Programs and Operations Committee; Finance and Risk Committee; People Committee; Fundraising and Marketing Committee. In addition, the Company also had the following special committee: the Governance and Nominations Committee of the Board of Directors. The Chairperson attends committee meetings at his discretion.

The members of the International Programs and Operations Committee during the 2024 financial year were Board Directors Dr Phoebe Wynn-Pope (Chair), Mr Peter Varghese AO and Ms Joanne Thomson.

The members of the Finance and Risk Committee during the 2024 financial year were Board Directors Mr Joseph Tesvic (Chair), Mr Marcus Laithwaite, Ms Joanne Thomson, Ms Diana Nicholson and a Committee member, Ms. Hong Pham (from 4 March 2024, formerly Board Observer to 3 March 2024).

The members of the People Committee during the 2024 financial year were Board Directors Ms Diana Nicholson (Chair), Ms Morgana Ryan (to 31 January 2024) and Mr Marcus Laithwaite.

The members of the Fundraising and Marketing Committee during the 2024 financial year were Board Directors Mr Marcus Laithwaite (Chair), Mr Joseph Tesvic, Ms Morgana Ryan (to 31 January 2024) and a Committee member, Ms Natalie Kyriacou OAM (from 4 November 2021).

The Governance and Nominations Committee did not meet during the 2024 financial year.

Directors' Report Cont'd

Standing Committee Meetings Attendance

The number of formal meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

Director	Board Meetings		Meetings of Committees							
			International Programs and Operations		People		Finance and Risk		Fundraising and Marketing	
	A	B	A	B	A	B	A	B	A	B
Marcus Laithwaite	5	5	0	0	5	5	4	4	4	4
Joanne Thomson	5	5	4	3	0	0	4	3	0	0
Joseph Tesvic	5	5	0	0	0	0	4	4	4	4
Dr Phoebe Wynn-Pope	5	5	4	4	0	0	0	0	0	0
Diana Nicholson	5	5	0	0	5	5	4	3	0	0
Peter Varghese AO	5	5	4	4	0	0	0	0	0	0
Morgana Ryan	2	2	4	4	0	0	0	0	0	0

A – the number of meetings the Director was eligible to attend during the year

B – the number of meetings attended

Directors' Report Cont'd

Objectives

The objects of the Company as set out in the Constitution are:

- (a) to provide resources, disaster and emergency relief, technical assistance, training and self-help programs (as the Board considers appropriate to the needs and priorities of particular locations and communities):
 - (i) to relieve poverty, malnutrition, hunger, illness, illiteracy and discrimination; and
 - (ii) to strengthen the capacity for self-help and to provide economic opportunity;
- (b) to work with other autonomous national and international organisations having (or having objectives which include) similar objectives to those in article 2(a) of the Constitution;
- (c) to do all other things as may be incidental or ancillary to the attainment of these objects.

In support of the objects of the Company set out in the Constitution, the Company targets its development programming and humanitarian response efforts mostly in the Pacific, working in partnership with local communities, organisations and governments to ensure women and girls: 1) have equal opportunities to earn an income and have sustainable livelihoods; 2) gain access to their fair share of resources; and 3) lead and participate in decisions that affect their lives.

Principal Activities

The principal activities of the Company during the year were to manage humanitarian, development and emergency aid programs and to promote improved living standards and the advancement of education among the world's poor. There was no significant change in the nature of these activities during the year.

Directors' Report Cont'd

Operating Results

In pursuit of its objectives, the Company has maintained a strategy of investing its surplus reserves in furthering its strategic objectives for 2024, resulting in a deficit of \$5.2m in 2024 (2023: \$4.0m deficit), comprising a \$4.8m deficit on continuing operations (2023: \$2.8m deficit) and a \$0.4m deficit on discontinued operations (2023: \$1.2m deficit).

As part of its strategic plan, in financial year 2022 the Company commenced the transition of management oversight of its four offices in the Mekong River region (Cambodia, Laos, Myanmar and Vietnam) to CARE USA. This will provide the Company the opportunity to enhance the impact of its country office operations and programs in the Pacific region. This transition was ongoing during 2024. The financial performance and position of these offices has been separately disclosed in the financial statements to enable a better understanding of its ongoing operating result. More details of these items are disclosed at Note 5.

The Company was fortunate to receive continued support from the Australian public, albeit noting a reduction in donations from continuing operations from \$9.7m in 2023 to \$9.1m in 2024. This reduction was largely driven by macroeconomic pressures combined with reduced donations for humanitarian responses. Grant income from continuing operations increased by \$1.6m from the previous year, mostly driven by an increase from overseas funders. Overall income from continuing operations increased by \$1m from the prior year, with a strong performance of our investment portfolio offsetting some of the reductions in other income streams.

Expenditure on continuing operations increased by \$3.0m compared to the previous year. The Company spent \$2.9m more than 2023 on Funds to International Programs, as it was spending grant funds and humanitarian appeals funds that had been received in the previous year. The Company also continued our intentional investment in our organisational capacity to deliver on our strategic plan. This included setting up the Company's new microfinance program that launched during the year, continuing to improve the mechanisms that the Company has in place to safeguard vulnerable people and deliver high impact programs, and costs relating to a series of strategic initiatives, such as investing to uplift technology. This strategic investment will continue into 2025 so that the Company is well positioned to deliver on its strategic commitments.

Performance Measures

The Company measures its performance in many ways, including:

- Monitoring and evaluating individual projects and its overarching program.
- Compliance with donor requirements, including institutional accreditation by the Department of Foreign Affairs and Trade (DFAT).
- Assessment against the Australian Council for International Development (ACFID) Code of Conduct.

Directors' Report Cont'd

Performance Measures cont'd

- Growth in income from the Australian public, DFAT and the Australian Government, CARE International members, foreign governments and overseas based organisations, and from investments.
- Managing the costs of fundraising and administration at a reasonable proportion of total income.
- Monitoring risk and compliance indicators.

Management and the Board also monitor the Company's overall performance, which includes an assessment of achievements against the organisation's strategic plan, as well as monitoring performance of the Company against the annual operating plan and financial budget.

Review of Operations

The year has seen the continuation of delivery of development assistance programs in South Asia and South East Asia, the Middle East, the Pacific and Africa.

Significant Changes in the State of Affairs

As mentioned in the Operating Results section, the Company is in the process of transitioning the management oversight of its four offices in the Mekong river region (Cambodia, Laos, Myanmar and Vietnam) to CARE USA. Apart from this, there were no significant changes in the state of affairs of the Company.

Employees

As at 30 June 2024, the Company employed 67 staff (2023: 100 staff) on Australian and Expat contracts and 424 staff (2023: 550 staff) on contracts entered into in other countries including Laos, Myanmar, Papua New Guinea, Timor-Leste and Vanuatu.

Matters Subsequent to the end of the Financial Year

Apart from matters disclosed in Note 9 to the financial statements, there are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect:

- i. the operations of the Company;
- ii. the results of those operations; or
- iii. the state of affairs of the Company.

Directors' Report Cont'd

Indemnification and Insurance of Directors and Officers

During the financial year, the Company paid premiums in respect of a contract insuring all the Directors and Officers of the Company against costs incurred in defending proceedings for conduct involving a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

The total insurance premiums paid were \$22,322 (2023: \$20,416). This amount is declared in Note 11 to the financial statements.

Indemnification of auditors

No payment has been made to indemnify its auditors, Ernst & Young during or since the end of the financial year.

Dividends

The Company is prohibited by its Constitution from declaring or paying any dividends.

Likely Developments

Project operations are expected to continue in South Asia and South East Asia, Africa, the Middle East and Pacific Regions, supported by funding from the Australian public, the Australian Government, CARE International members and multilateral and bilateral sources.

Auditor Independence

The Directors received a declaration of independence from the auditor of the Company, which is attached to this report.

Non-Audit Services

The Company's auditor, Ernst & Young did not perform any non-audit services during the reporting period.

Directors' Report Cont'd

Particulars of Directors

CHAIR FROM MARCH 2020

Marcus Laithwaite

Director since 2017

The Company representative on CARE International Assembly. Partner and Governance Board member, PwC Australia.

Formerly – Chair of CARE International's Governance and Nominations Committee, Chair of ChildFund Australia, Board member of the PwC Foundation, Board member and Treasurer of the European Australian Business Council and Chair of the Finance & Audit Committee of Sydney Living Museums.

TREASURER FROM MARCH 2020

Joseph Tesvic

Director since 2016

Senior Partner, McKinsey & Company. Leader of McKinsey's Consumer Practice and Chief Financial Officer of McKinsey Australia and New Zealand.

MEMBERS

Diana Nicholson

Director since 2019

Senior Partner, King & Wood Mallesons; KWM Financial Services Sector Leader; Member and Acting President, Takeovers Panel; Trustee, Melbourne and Olympic Parks.

Peter Varghese AO

Director since 2019

Chancellor of The University of Queensland. Director, Varghese Consulting Pty Ltd. Director, North Queensland Airports; Chair, Asialink Advisory Council; Chair, Editorial Advisory Board, DFAT Historical Documents Series; Member, International Governing Board of the Rajaratnum School of International Studies in Singapore; Counsellor, Dragoman Global.

Formerly – Secretary, Department of Foreign Affairs and Trade; High Commissioner to India; High Commissioner to Malaysia; Director-General, Office of National Assessments; Senior Advisor (International) to the Prime Minister of Australia.

Directors' Report Cont'd

Particulars of Directors cont'd

Dr Phoebe Wynn-Pope

Director since 2018

Head of Responsible Business and ESG, Head of Business and Human Rights and Head of Pro Bono at Corrs Chambers Westgarth. Chair, University of New South Wales Australian Human Rights Institute Advisory Committee; Director, Business and Human Rights Lawyers Association, Ambassador for the Community Refugee Sponsorship Australia; Graduate Member, Australian Institute of Company Directors (AICD).

Formerly – Founding Director, Humanitarian Advisory Group; Director, International Humanitarian Law and Movement Relations at Australian Red Cross.

Morgana Ryan

Director between 2021 – 2024

CEO since 2024

Board Director of Wodonga Institute of TAFE. Fellow of the Australian Institute of Company Directors. Co-Author, *Building a Better International NGO* and *Navigating Change for International NGOs*.

Formerly - Chair of Infoxchange, Chair of Connecting Up.

Joanne Thomson

Director since 2021

Co-Founder and Lead Advisor with Learning4Development Pty Ltd. Master of International Public Health and Graduate Diploma in International Social Development. Independent Review Panel, GAVI.

Formerly - Board Director and Vice Chair, ChildFund Australia. Board Director, Accountable Now (Berlin).

Directors' Report Cont'd

Particulars of Directors cont'd

COMPANY SECRETARY

Sue Cunningham

Company Secretary between 2022 - 2024

Formerly - Chair of The Community Grocer (a social enterprise); member Victorian Government Bushfire Appeal Advisory Panel; member Australian Red Cross Bushfire Advisory Panel; member Baptistcare Transformation Board Sub-Committee; member Quality & Risk Board Sub-Committee, Metropolitan Ambulance Service; member Ministerial Committee for Emergency Services Telecommunications (Vic Govt). Graduate Member, Australian Institute of Company Directors (AICD); Bachelor of Electrical and Electronic Engineering; Bachelor of Arts; Graduate Diploma in Business Management.

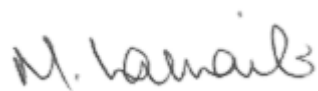
Hayley Allen

Company Secretary, from 2024

Head of Governance, Risk and Quality at the Company, and Chair of This Life NGO.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit, other than as disclosed in Note 11 to the financial statements.

Signed in accordance with a resolution of the Directors.



Marcus Laithwaite
Chair



Joseph Tesvic
Treasurer
29 November 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2024

		2024	2023
		\$	\$
REVENUE	<i>Note</i>		
Revenue			
Donations Monetary	3	7,511,285	8,542,069
Donations Non-monetary	3	417,545	311,566
Bequests and Legacies	3	1,207,403	861,126
Total Revenue from Donations and Bequests		9,136,233	9,714,761
Revenue from contracts with customers (Grants and Contracts)			
Department of Foreign Affairs and Trade	3	5,796,900	3,600,339
Other Australian Grants and Contracts	3	13,775,004	16,129,339
Overseas Grants and Contracts	3	20,813,644	19,034,166
Total Revenue from contracts with customers		40,385,548	38,763,844
Investment income	3	1,143,983	1,405,064
Other income	3	569,720	375,479
Total revenue and income	3	51,235,484	50,259,148
EXPENDITURE			
International programs			
Funds to international programs	4(a)(i)	41,384,289	38,436,801
Program support costs	4(a)(ii)	4,057,189	4,613,106
Community education	4(a)(iii)	1,158,243	1,337,942
Fundraising costs			
Public	4(a)(iv)	2,855,116	2,779,367
Government, multilateral and private	4(a)(v)	778,800	686,431
Accountability and administration	4(a)(vi)	5,356,176	4,899,509
Non-monetary expenditure – Australian based		417,545	311,566
Total expenditure		56,007,358	53,064,722
NET DEFICIT FROM CONTINUING OPERATIONS		(4,771,874)	(2,805,574)
COMPREHENSIVE INCOME/(EXPENDITURE)			
Discontinued Operations			
(Deficit) for the year from Discontinued Operations	5	(422,342)	(1,168,968)
Other comprehensive income		-	-
Total comprehensive (expenditure) for the year		(422,342)	(1,168,968)
NET (DEFICIT) AFTER COMPREHENSIVE INCOME/(EXPENDITURE)		(5,194,216)	(3,974,542)

The above Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	6(a)	9,127,695	18,034,880
Term deposits		1,950,138	500,000
Prepayments		436,890	601,101
Project advances	6(c)	5,043,509	10,707,578
Trade and other receivables	6(d)	3,139,961	239,094
		19,698,193	30,082,653
Assets held for sale	5	193,137	4,596,537
TOTAL CURRENT ASSETS		19,891,330	34,679,190
NON-CURRENT ASSETS			
Other non-current financial assets	6(b)	108,900	333,647
Property, plant and equipment	7(a)	728,493	710,107
Right of Use Assets	7(d)	453,976	134,462
Investments	6(b)(e)	11,290,765	13,018,214
TOTAL NON-CURRENT ASSETS		12,582,134	14,196,430
TOTAL ASSETS		32,473,464	48,875,620
CURRENT LIABILITIES			
Trade and other payables	6(f)	3,642,468	3,689,850
Provisions	7(b)	3,185,434	3,107,939
Lease liabilities	7(d)	328,417	98,730
Contract liabilities	7(c)	13,690,297	18,794,214
		20,846,616	25,690,733
Liabilities directly associated with the assets held for sale	5	1,244,516	7,654,614
TOTAL CURRENT LIABILITIES		22,091,132	33,345,347
NON-CURRENT LIABILITIES			
Provisions	7(b)	142,135	191,564
Lease liabilities	7(d)	136,841	41,137
TOTAL NON-CURRENT LIABILITIES		278,976	232,701
TOTAL LIABILITIES		22,370,108	33,578,048
NET ASSETS		10,103,356	15,297,572
EQUITY			
General reserve		9,558,621	14,195,002
Specific purpose reserve		970,670	1,188,317
Foreign currency reserve		(425,935)	(85,747)
TOTAL EQUITY		10,103,356	15,297,572

The above Statement of Financial Position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

Statement of Changes in Equity	Note	General Reserve	Specific Purpose Reserve	Foreign Currency Reserve	Total
Balance at 1 July 2023	8	14,195,002	1,188,317	(85,747)	15,297,572
Net operating deficit for the year		(4,636,381)	(217,647)	(340,188)	(5,194,216)
Other comprehensive income for the year		-	-	-	-
Amounts transferred (to)/from reserves		-	-	-	-
Balance at 30 June 2024	8	9,558,621	970,670	(425,935)	10,103,356

For the year ended 30 June 2023

Statement of Changes in Equity	Note	General Reserve	Specific Purpose Reserve	Foreign Currency Reserve	Total
Balance at 1 July 2022	8	17,368,025	1,661,787	242,302	19,272,114
Net operating deficit for the year		(3,173,023)	(473,470)	(328,049)	(3,974,542)
Other comprehensive income for the year		-	-	-	-
Amounts transferred (to)/from reserves		-	-	-	-
Balance at 30 June 2023	8	14,195,002	1,188,317	(85,747)	15,297,572

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	2024	2023
Note	\$	\$
Cash flows from operating activities		
Cash receipts from public donations	8,718,688	9,153,727
Grants and contract receipts	33,646,176	57,772,112
Interest income	879,725	476,784
Other income	338,817	616,955
Payments to suppliers and employees	(57,882,753)	(76,223,258)
Net cash flows from/(used in) operating activities	(14,299,347)	(8,203,680)
Cash flow from investing activities		
Payments for property, plant and equipment	(297,996)	(276,345)
Proceeds from sale of property, plant and equipment	963	33,680
Net cash from investments	581,777	1,258,729
Net cash flows from/(used in) investing activities	284,744	1,016,064
Cash flow from financing activities		
Payments for lease principal and interest	(439,649)	(523,402)
Net cash flows from/(used in) financing activities	(439,649)	(523,402)
Net decrease in cash held	(14,454,252)	(7,711,018)
Net foreign exchange differences	2,179,344	(54,718)
Cash and cash equivalents at the beginning of the year	21,402,603	29,168,339
Cash and cash equivalents at the end of the year	9,127,695	21,402,603

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

Basis of preparation

1. Corporate information
2. Basis of preparation and significant accounting policies

How the numbers are calculated

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4. Expenses
5. Discontinued operations
6. Financial assets and liabilities
7. Non-financial assets and liabilities
8. Reserves

Other information

9. Events subsequent to the reporting date
10. Contingencies
11. Related party transactions
12. Key management personnel
13. Remuneration of auditors
14. Information required by *NSW Charitable Fundraising Act 1991*
15. Information required by *Australian Council For International Development (ACFID)*
16. Information required by *New Zealand Ministry of Foreign Affairs and Trade Project*

Notes to the Financial Statements - 30 June 2024

BASIS OF PREPARATION

Note 1 Corporate information

The financial report of the Company for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors dated 29 November 2024.

The principal activities of the Company during the year were to manage humanitarian and development programs and to promote improved living standards and the advancement of education among the world's poor. There was no significant change in the nature of these activities during the year.

The Company is a Company limited by guarantee incorporated in Australia. The Company is a registered charity with the Australian Charities and Not-for-Profits Commission and holds deductible gift recipient status and is exempt from income tax.

National Office
Level 4,
53 Queen St
Melbourne VIC 3000
Phone 1800 020 046

a. *Liability of members*

As at 30 June 2024 there were six (2023: seven) full members guaranteeing to contribute up to \$100 each in the event of the Company being wound up.

Note 2a Basis of preparation

The financial report is a single entity general purpose financial report which has been prepared in accordance with the requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation)*. The financial statements have been prepared under the simplified disclosure standard *AASB1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial report has been prepared on a historical cost basis, except investments held at fair value through profit or loss, which have been measured at fair value. The financial report has been prepared on the basis that the Company is a not-for-profit entity. The financial report is presented in Australian Dollars (\$). This is the functional and presentation currency of the Company.

The financial report has been prepared in compliance with the Australian Council for International Development (ACFID) Code of Conduct. For more information about the Code of Conduct, refer to <https://acfid.asn.au/content/read-code>.

Notes to the financial statements cont'd

Note 2a Basis of preparation cont'd

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future. The Directors have assessed the Company's financial position, cash flows, and future projections, including the possible impact of significant uncertainties or risks.

Based on this assessment, the Directors are satisfied that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements do not include any adjustments that would be necessary if the Company were unable to continue as a going concern.

Note 2b Material accounting policies

i. Foreign currencies

Translation of foreign currency transactions and balances

Funds transfers in foreign currencies are converted to Australian dollars at the rate of exchange ruling at the date of the transaction. All other foreign currency transactions are translated using an average monthly exchange rate.

At the end of each month, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the last day of the month and their statements of profit or loss are translated at an average monthly exchange rate.

Foreign denominated monetary balances in the Statement of Financial Position are translated at the spot rate at 30 June when applicable with exchange differences being taken to the Statement of Profit or Loss.

ii. Income tax and other taxes

The Company is exempt from income tax pursuant to Subdivision 50B of the *Income Tax Assessment Act, 1997*.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Notes to the financial statements cont'd

Note 2b Material accounting policies cont'd

ii. *Income tax and other taxes cont'd*

Cash flows are included in the Statement of Cash Flows 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 are classified as operating cash flows.

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

iii. *Significant accounting judgements, estimates and assumptions*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

This note provides an overview of the areas that involve a degree of judgement or complexity. Detailed information about estimates and judgements exercised and the basis for calculation is included in the relevant notes referenced below.

The areas are:

- Revenue recognition (Note 3)
- Fair value measurement of financial instruments (Note 6b)
- Useful life assessment of property, plant and equipment (Note 7a)
- Valuation and impairment of non-financial assets (Note 7a)
- Provision for employee benefits (Note 7b)

Management bases its judgements and estimates on historical experiences and on other factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from estimates under different assumptions and conditions; however, these will not materially affect the financial results or the financial position reported in future periods.

iv. *Changes in accounting policy and disclosures*

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting year ended 30 June 2024. Management are in the process of assessing the impact of the applications of these standards and its amendments to the extent relevant to the financial statements of the Company.

Notes to the Financial Statements - 30 June 2024

HOW THE NUMBERS ARE CALCULATED

This section of the notes provides additional information about those individual line items in the financial statements that Directors consider most relevant in the context of the operations of the Company, including:

- (a) Accounting policies that are relevant for an understanding of the items recognised in the financial statements;
- (b) Analysis and subtotals; and
- (c) Information about estimates and judgements made in relation to particular items.

- 3. Revenue
- 4. Expenses
- 5. Discontinued Operations
- 6. Financial assets and liabilities
- 7. Non-financial assets and liabilities
- 8. Reserves

Notes to the financial statements cont'd

Note 3 Revenue from continuing operations

The following provides a further breakdown of the Company's revenue from continuing operations by category of revenue and source:

	2024	2023
	\$	\$
AASB1058 applied to Income		
REVENUE		
Donations		
Donations Monetary	7,511,285	8,542,069
Donations Non Monetary	417,545	311,566
Bequests and Legacies	1,207,403	861,126
Total donations	9,136,233	9,714,761
Other income	569,720	375,479
Other income	569,720	375,479
AASB15 applied to Income		
Revenue from contracts with customers (Grants and Contracts)		
Department of Foreign Affairs and Trade (DFAT)	5,796,900	3,600,339
Other Australian Government departments	1,045,990	2,345,746
Non-government organisations including managing contractors	126,835	418,589
Non-government organisations including managing contractors (DFAT funded)	10,978,309	12,226,074
Other Australian organisations	1,623,870	1,138,930
Total other Australian grants and contracts	13,775,004	16,129,339
CARE International members	15,517,130	13,843,308
Multilateral agencies	2,862,568	2,562,143
Foreign governments and overseas based organisations	2,433,946	2,628,715
Total other overseas grants and contracts	20,813,644	19,034,166
Totals Revenue from contracts with customers (Grants and Contracts)	40,385,548	38,763,844
AASB9 applied to Income		
Interest income	76,779	163,809
Dividends	804,414	309,294
Fair value gain on investments	262,790	931,961
Total investment income	1,143,983	1,405,064
Total revenue and other income	51,235,484	50,259,148

Notes to the financial statements cont'd

Note 3 Revenue from continuing operations (cont'd)

a. Revenue recognition

(i) Grants, contracts and donations

The Company is a non-profit organisation and receives a principal part of its funds from grants, contracts, bequests and donations. The Company receives both unrestricted and restricted funding, which are treated differently for the purposes of revenue recognition as follows:

- *Donations - Monetary* are received from donors who do not impose restrictions on the use of the funds. Consequently, there is no time restriction imposed as to when the funds can be used so the donations are recognised as revenue on receipt in the accounting records.
- *Revenue from contracts with customers (Grants and contracts)* are received from donors with specific requirements as to what project the funds are to be spent on. Where donor directions impose specific restrictions on fund usage and funds may be required to be repaid, the income is initially recorded as a current liability under contracts liabilities and recognised as revenue when expended. Restricted donations with general donor requirements are recognised as revenue on receipt in the accounting records. Any contract liabilities are held in a specific purpose reserve for use in future years.
- *Bequests* are received from a deceased person's will. As there are no terms established between the Company and the estate, which is within the scope of AASB1058 and recognised as revenue on receipt.

(ii) Donations Non Monetary

Revenue in respect of donated goods and services is recognised at the time that the goods or services are supplied to the Company or our beneficiaries and where the fair market value or prevailing market price can be measured at the time of the donation. Expenditure is recognised to offset the revenue relating to donated goods and services.

(iii) Interest income

Interest is recognised on an accrual basis when the Company has a right to receive the interest payment.

(iv) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

Note 4 Expenses

a. Classification of expenses

The classification of expenses in the Statement of Comprehensive Income is in accordance with the requirements set out in the *ACFID Code of Conduct*. For further information on the Code, please refer to the *ACFID Code of Conduct Guidance* available at <https://acfid.asn.au/content/financial-definitions>

Notes to the financial statements cont'd

Note 4 Expenses (cont'd)

(i) Funds to international programs

Funds to international programs relate to funds and gifts in kind actually remitted overseas to aid and development projects, plus the cost of remitting those funds.

These costs may include (but are not limited to):

- Salaries of program staff or volunteers' costs working overseas, which might be paid from Australia,
- The cost of acquiring property, plant and equipment in Australia which is then sent overseas,
- Costs of programs implemented by international partners,
- Administration costs of overseas field offices or program partners, and
- Program expenditure (excluding secretariat fees) funded via international secretariats.

(ii) Program support costs

Program support costs include the direct cost of project management spent in Australia, including project design, monitoring and evaluation and project management. It includes the training and professional development of Australian based staff and volunteers involved in the effective management of international projects. It also includes the salaries of program support staff paid in Australia.

(iii) Community Education

Community Education includes all costs related to advocacy, informing and educating the Australian community of, and inviting their active involvement in, global justice, development and humanitarian issues. This includes the cost of producing and distributing materials, the cost of conducting educational and public policy activities and campaigns, and the cost of personnel involved in these activities.

(iv) Fundraising costs - Public

Fundraising costs - Public includes all costs related to the purpose of raising revenue from the public. Items include:

- The production and distribution of fundraising materials,
- The cost of promotional or marketing campaigns,
- The costs of establishing and maintaining public donor databases,
- Funds paid to third parties to provide fundraising services,
- Donation related bank fees, and
- The cost of personnel involved in preparing and conducting marketing and fundraising campaigns.

(v) Fundraising costs – Government, multilateral and private sector

Fundraising costs - Government, multilateral and private sector includes the costs of personnel and related expenses involved in the preparation of funding submissions for, and reporting against, grants from government, multilateral organisations, corporate and philanthropic organisations.

Notes to the financial statements cont'd

Note 4 Expenses (cont'd)

(vi) *Accountability and administration*

Accountability and Administration costs include costs (not able to be allocated to a program activity) associated with the overall operational capability of the organisation. These costs include (but are not limited to):

- audit and accounting services,
- staff salaries,
- legal fees,
- memberships and subscriptions,
- CARE International secretariat fees,
- office accommodation expenses (rent, maintenance, depreciation, utilities, etc.),
- bank charges (not donation related), and
- general staff training.

b. *Specific expenses for the year from continuing operations*

The following items are significant to the financial performance of the Company or are relevant to interpreting other notes in the financial statements:

	2024	2023
	\$	\$
Employee benefits expense	27,172,480	25,537,427
Depreciation expense	775,694	656,078

During 2024, the Company carried out a restructure that resulted in a reduction of contracted staff and the realisation of existing employee benefit balances as part of redundancy payments.

Note 5 Discontinued Operations

Mekong river region operations transition to Care USA

On 1 June 2022, the Company's Board approved the proposal to transition the Mekong river region country offices to management oversight by CARE USA. Transition of management oversight of the Cambodia and Vietnam operations occurred on 31 December 2022, Laos on 31 December 2023 and Myanmar operations on 31 January 2024. As at 30 June 2024, the remaining Mekong river region operations were classified as a disposal group held for sale and as a discontinued operation.

Notes to the financial statements cont'd

Note 5 Discontinued Operations (cont'd)

The major classes of assets and liabilities of the Mekong River region operations classified as held for sale as at 30 June 2024 are as follows:

Assets	2024	2023
	\$	\$
Cash and cash equivalents	-	3,367,723
Prepayments	3,846	125,991
Project Advances	137,854	1,047,284
Trade and other receivables	51,437	-
Property, plant and equipment	-	9,771
Right of use assets	-	45,768
Assets held for sale	193,137	4,596,537
Liabilities		
Trade and other payables	249,716	1,803,420
Provisions	363,392	1,929,940
Lease liabilities	-	48,244
Unexpended project funds	631,408	3,873,010
Liabilities directly associated with the assets held for sale	1,244,516	7,654,614
Net (liabilities) directly associated with disposal group	(1,051,379)	(3,058,077)

There were \$5,506,623 (2023: \$279,492) of net operating cash outflows, nil (2023: \$113,359) of net investing cash outflows and nil (2023: \$137,623) of net financing cash outflows from discontinued operations for the financial year. The net decrease in cash from discontinued operations was \$3,367,723 (2023: \$385,867) for the financial year. As at the end of 2024, discontinued operations fully executed cash transfers to CARE USA.

Note 6 Financial assets and liabilities

This note provides information about the Company's financial instruments, including:

- an overview of all financial instruments held by the Company,
- specific information about each type of financial instrument,
- accounting policies, and
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

Notes to the financial statements cont'd

Note 6 Financial assets and liabilities (cont'd)

a. Cash and cash equivalents

	2024	2023
	\$	\$
Cash on hand	117,234	130,394
Cash at bank	8,713,586	17,588,107
International revolving fund	296,875	316,379
Total cash related to continuing operations	9,127,695	18,034,880
Cash related to discontinued operations	-	3,367,723
Total cash and cash equivalents	9,127,695	21,402,603

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 90 days from acquisition, net of any outstanding bank overdrafts. The International revolving fund is the contribution to the CARE International fund to support confederation-wide activity. Cash at bank earns interest at floating rates based on market daily deposit rates.

b. Financial Instruments

Financial assets are classified, at initial recognition, at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Financial assets at amortised cost

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised as profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade and other receivables and term deposits in the statement of financial position.

Notes to the financial statements cont'd

Note 6 Financial assets and liabilities (cont'd)

b. Financial instruments (cont'd)

Investments held at fair value through Profit or Loss

Investments in Managed Funds are designated by the Company as fair value through profit or loss upon initial recognition, the rationale being the performance of these managed funds is evaluated on a fair value basis in accordance with the Board's investment strategy. Gains or losses on managed funds designated at fair value through the statement of comprehensive income are recognised as fair value gains or losses in the Statement of Profit or Loss.

Investments at fair value consist of investments in Australian equities, managed funds and unit trusts and generally have no fixed maturity date. During the year investments were crystallised to fund our operating deficit; these withdrawals, as well as fair value adjustments, decreased investments by \$1,727,449 (2023: increase \$931,961). Fair value is based on the published prices for each Australian equity holding, managed fund or unit trust as at 30 June.

c. Project advances

Project advances represent amounts prepaid to CARE Member Partners to implement projects in accordance with Individual Project Implementation Agreements or to CARE staff in the field. Advances are normally acquitted within 12 months for CARE Member Partners or one month for CARE staff.

d. Trade and other receivables

	2024	2023
	\$	\$
Trade receivables	163,624	149,855
GST receivable	295,391	-
CARE International Members	519,363	-
Project funds receivable	2,161,583	91,239
	3,139,961	241,094
Allowance for expected credit losses	-	(2,000)
Total trade and other receivables (net)	3,139,961	239,094

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised costs using the effective interest method, less any allowance for expected credit losses. Trade and other receivables are generally due for settlement within 30 days. The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Notes to the financial statements cont'd

Note 6 Financial assets and liabilities (cont'd)

d. Trade and other receivables (cont'd)

Project funds receivable

Project Funds Receivable represents amounts due to the Company under project agreements where the Company has pre-funded project expenditure. Amounts receivable are supported by project agreements and carried at nominal amounts due at balance date and are normally recovered within three months.

e. Investments

	2024	2023
	\$	\$
Listed investments at fair value through profit or loss in:		
Investment trusts	11,290,765	13,018,214
	<u>11,290,765</u>	<u>13,018,214</u>

Investments in 2024 were managed by Koda Capital on behalf of the Company. Koda Capital held a variety of investments which generate a return based on income from those investments, investment sales and changes in the market value of investments. Investments were crystallised in 2024 to fund our operating deficit. The Company's investments managed by Koda Capital could generally be redeemed on an at-call basis at the market value of investment at the date of redemption less certain fees and charges. A small portion of the investments are less liquid and can be redeemed at set time periods for the market value of the investment less certain fees and charges.

f. Trade and other payables

	2024	2023
	\$	\$
Current		
Trade creditors	1,052,284	1,778,421
Accruals	747,314	804,577
GST Payable	-	184,749
CARE International Members	-	104,417
Other creditors	1,669,655	708,287
Accrued salary payments	173,215	109,399
	<u>3,642,468</u>	<u>3,689,850</u>

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Trade liabilities are normally settled on 30 day terms.

Notes to the financial statements cont'd

Note 7 Non-financial assets and liabilities

This note provides information about the Company's non-financial assets and liabilities, including:

- specific information about each type of non-financial asset and non-financial liability
 - property, plant and equipment (note 7(a))
 - provisions (note 7(b))
 - unexpended project funds (note 7(c))
- accounting policies
- information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

Notes to the financial statements cont'd

Note 7 Non-financial assets and liabilities (cont'd)

a. Property, plant and equipment

	Leasehold Improve'ts \$	Plant & Equipment \$	Computer Systems \$	Motor Vehicles \$	Assets Held For Sale \$	Total \$
Cost						
At 30 June 2022	1,263,890	594,367	1,994,224	965,025	1,539,907	6,357,413
Additions	5,303	13,854	90,391	43,690	123,107	276,345
Disposals	(462,257)	(49,477)	(512,857)	-	(531,222)	(1,555,813)
Adjustments	-	-	-	-	-	-
At 30 June 2023	806,936	558,744	1,571,758	1,008,715	1,131,792	5,077,945
Additions	(260)	12,983	43,446	241,827	-	297,996
Disposals	-	(12,983)	-	-	(791,357)	(804,340)
At 30 June 2024	806,676	558,744	1,615,204	1,250,542	340,435	4,571,601
Depreciation & impairment						
At 30 June 2022	(831,287)	(576,853)	(1,768,746)	(649,631)	(1,460,158)	(5,286,675)
Depreciation charge for the year	(30,644)	(11,747)	(109,167)	(92,312)	(33,164)	(277,034)
Disposals	294,944	41,870	497,527	-	371,303	1,205,644
Adjustments	-	(1)	-	1	(2)	(2)
At 30 June 2023	(566,987)	(546,731)	(1,380,386)	(741,942)	(1,122,021)	(4,358,067)
Depreciation charge for the year	(33,927)	(12,008)	(99,674)	(121,397)	(952)	(267,958)
Disposals	-	-	1	-	782,538	782,539
Adjustments	378	-	-	-	-	378
At 30 June 2024	(600,536)	(558,739)	(1,480,059)	(863,339)	(340,435)	(3,843,108)
Net book value						
At 30 June 2023	239,949	12,013	191,372	266,773	9,771	719,878
At 30 June 2024	206,140	5	135,145	387,203	-	728,493

During 2024, the remaining Mekong river region operations were classified as a disposal group held for sale and as a discontinued operation.

Notes to the financial statements cont'd

Note 7 Non-financial assets and liabilities (cont'd)

a. Property, plant and equipment (cont'd)

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment loss. Depreciation is provided on a straight line basis at rates calculated to allocate the cost less estimated residual value at the end of the useful lives of the assets against revenue over those estimated useful lives to the Company.

Major depreciation periods are:

	2024	2023
Plant and equipment	4-5 years	4-5 years
Computer systems	3-5 years	3-5 years
Motor vehicles	3-5 years	3-5 years
Leasehold improvements	the lease term	the lease term

Impairment

The carrying values of all assets are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of an asset is the higher of its fair value less costs to sell, and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Company was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in revenue or expenses in the year the asset is derecognised.

b. Provisions

	2024	2023
	\$	\$
Current		
Employee benefits	3,063,302	2,935,328
Other provisions	122,132	172,611
	3,185,434	3,107,939
Non-Current		
Employee benefits	127,135	176,564
Make good provision	15,000	15,000
	142,135	191,564

Notes to the financial statements cont'd

Note 7 Non-financial assets and liabilities (cont'd)

b. Provisions (cont'd)

Provisions are recognised when the Company has a legal or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of a past transaction or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Make good provision

The lease agreement for the office premises in Melbourne includes a make good clause to return the leased premises to its original condition at the conclusion of the lease period. It is considered that this make good arrangement is likely to be exercised and the amount can be reliably determined. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to refurbish the leased space and the expected timing of those costs. The provision is reviewed annually.

Employee benefits are comprised of:

Wages, salaries, superannuation and annual leave.

Provision is made for employee entitlement benefits accumulated as a result of services rendered by employees up to the reporting date. Employee benefits expected to be settled within one year have been measured at their nominal amount based on remuneration rates, which are expected to be paid when the liability is settled. Contributions are made by the Company to the Superannuation Funds nominated by employees and are charged as expenses when incurred.

Long service leave

The provision for long service leave for Victorian-based staff and executive staff (not on Social, Community, Home Care and Disability Services award contracts) is measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yields as at the reporting date of national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Non-executive Victorian staff are eligible for Portable Long Service Leave and their long service leave entitlements are expected to be settled within 12 months from the reporting date. Accordingly these entitlements are valued at their nominal amount based on remuneration rates which are expected to be paid when the liability is settled.

Notes to the financial statements cont'd

Note 7 Non-financial assets and liabilities (cont'd)

b. Provisions (cont'd)

Make good provision (cont'd)

Movements in the make good provision were as follows:	2024	2023
	\$	\$
As at 1 July	15,000	207,980
Use of make good provision	-	(192,980)
Additions to make good provision	-	-
Unwinding of discount factor	-	-
As at 30 June	15,000	15,000

c. Contract liabilities - Unexpended project funds

	2024	2023
	\$	\$
As at 1 July	18,794,214	19,863,085
Received during the year	27,049,469	28,277,454
Released to the statement of profit or loss	(32,153,386)	(29,346,325)
As at 30 June	13,690,297	18,794,214

Contract income received for restricted purposes is recorded as a current liability under unexpended project funds with any unspent funds available for use in future years. The liability pertaining to each project would normally be settled over the contract term for that project, which may range from one month to three years.

This amount represents the unexpended liability on contracts with a range of humanitarian organisations to perform activities as agreed in the contract where the donor has provided funds in a range of currencies including Australian Dollars (AUD), United States Dollars (USD), Euros, Great British Pounds (GBP), PNG Kina (PGK) and Vanuatu VATU (VUV). There are various foreign currency bank accounts that may create a natural hedge in certain circumstances. The AUD equivalent of cash, cash at bank or term deposits in foreign currencies at year end is \$9,576,999 (continuing operations) and nil (discontinued operations) (2023: \$11,664,810 continued operations and \$3,367,723 discontinued operations). The remainder of the funds are held in AUD.

d. Leases

Company as a lessee

The Company has lease contracts for various items of properties and other equipment used in its operations. Leases of properties generally have lease terms between 6 months and 6 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, some contracts require the Company to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

Notes to the financial statements cont'd

Note 7 Non-financial assets and liabilities (cont'd)

d. Leases (cont'd)

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of Right of Use Assets recognised and movements during the period.

Office Buildings	2024	2023
	\$	\$
As at 1 July	134,462	2,119,838
Additions	916,271	-
Less: Disposals	-	(1,573,168)
Less: Depreciation	(596,757)	(412,208)
Less: Movement to Assets Held For Sale	-	-
As at 30 June	453,976	134,462

Set out below are the carrying amounts of Lease Liabilities and the movements during the period:

Office Buildings	2024	2023
	\$	\$
As at 1 July	139,867	2,180,363
Additions	827,265	-
Accretion of interest	25,821	78,716
Less: Disposals	-	(1,654,716)
Less: Payments	(527,695)	(464,496)
Less: Movement to Liabilities Associated with Assets Held For Sale	-	-
As at 30 June	465,258	139,867

Lease liabilities

	2024	2023
	\$	\$
Current	328,417	98,730
Non-Current	136,841	41,137
Total	465,258	139,867

Notes to the financial statements cont'd

Note 7 Non-financial assets and liabilities (cont'd)

d. Leases (cont'd)

The following are the amounts recognised in the profit or loss:

	2024	2023
	\$	\$
Depreciation expense of right-of-use assets	596,757	412,208
Interest expense on lease liabilities	25,821	78,716
Loss on lease impairment	89,006	81,548
Total amount recognised in profit or loss	711,584	572,472

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2024	2023
	\$	\$
Within one year	649,736	1,137,993
After one year but not more than five years	360,799	138,346
More than five years	-	-
Total	1,010,535	1,276,339

Note 8 Reserves

General reserves comprise the accumulated operating results of the Company. These funds are held to safeguard financial stability, enduring operating capacity and the capacity to strategically invest. The Company's Reserves Policy sets the minimum level of general reserves and outlines the process for the Board to approve the use of reserve funds.

The Company's Reserves Policy requires reserves to be maintained to safeguard the continued operations of Company's operations. This policy balances the need to safeguard financial security whilst simultaneously ensuring flexibility in meeting the development and humanitarian challenges of operating in a dynamic global environment.

Specific purpose reserves are unspent restricted donations carried forward for the purpose of spending on specific activities or programs in the future.

Foreign currency reserves comprise the cumulative unrealised foreign exchange gains or losses resulting from the revaluation of assets and liabilities held in foreign currency.

Notes to the Financial Statements - 30 June 2024

OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

9. Events subsequent to the reporting date
10. Contingencies
11. Related party transactions
12. Key management personnel
13. Remuneration of auditors
14. Information required by *NSW Charitable Fundraising Act 1991*
15. Information required by *ACFID Code of Conduct*
16. Information required by *New Zealand Ministry of Foreign Affairs and Trade Project*

Notes to the financial statements cont'd

Note 9 Events subsequent to the reporting date

The Company continued to implement the transition of the management oversight of the remaining Mekong rivers region country offices (Laos and Myanmar) to CARE USA. Apart from this, there are no significant events subsequent to the reporting date.

Note 10 Contingencies

As at 30 June 2024 the Company did not have any contingent assets or liabilities (2023: Nil).

Note 11 Related party transactions

Director Details (non – executive)

<i>Chair</i>	Marcus Laithwaite (from 6 March 2020, Board member from 21 July 2017)
<i>Treasurer</i>	Joseph Tesvic (from 6 March 2020, Board member from 6 September 2016)
<i>Board Members</i>	Dr Phoebe Wynn-Pope (from 26 October 2018)
	Diana Nicholson (from 26 July 2019)
	Peter Varghese AO (from 26 July 2019)
	Joanne Thomson (from 20 May 2021)
	Morgana Ryan (from 20 May 2021 - 31 January 2024)

Director transactions

The Directors did not receive any remuneration for their services. Expenses incurred by Directors on behalf of the Company are reimbursed on a cost only basis if requested. An amount of \$22,322 (2023: \$20,416) was paid for Directors and Officers liability insurance.

Director-related entity transactions

During the year, the Company received \$268,065 in pro bono services from Corrs Chambers Westgarth. The CARE Chair of the International Programs and Operations Committee, Dr Phoebe Wynn-Pope, is Head of Business and Human Rights and Head of Pro Bono at Corrs Chambers Westgarth.

During the year, the Company received \$77,105 in pro bono services from King & Wood Mallesons. The Company Chair of People committee, Ms Diana Nicholson, is a Senior Partner at King & Wood Mallesons.

During the year, the Company received \$27,800 in pro bono services from Accenture. The Company Director, Ms Morgana Ryan, was a former employee of Accenture.

Notes to the financial statements cont'd

Note 12 Key management personnel

a. Details of key management personnel

Executives

Peter Walton	Chief Executive (to March 2024)
Morgana Ryan	Chief Executive (from March 2024)
Sue Cunningham	Director, Strategy & Enabling Services and Company Secretary (to May 2024)
Catherine Hoban	Director, Fundraising and Marketing (to April 2024) and Director, Fundraising and Public Engagement (from April 2024).
David Sims	Director, International Programs and Operations (to March 2024).
Bianca Collier	Acting Director, Strategy & Enabling Services (to March 2024), and Director, International Programs and Operations (from March 2024).

b. Compensation of Key management personnel - Executives

	2024	2023
	\$	\$
Short term employee benefits	1,202,083	958,503
Post-employment benefits	194,649	100,670
	1,396,732	1,059,173

Note 13 Remuneration of auditors

	2024	2023
	\$	\$
Amounts received or due and receivable by EY Australia		
Audit of the financial report of the Company	111,000	121,500
Audit of the USAID grants spanning 4 years	125,000	-
	236,000	121,500

USAID contracts require independent audit of grants, conducted by EY. Costs associated are on charged to CARE USA.

Notes to the financial statements cont'd

Note 14 Information required by the *NSW Charitable Fundraising Act 1991*

a. Details of aggregate gross income and total expenses for fundraising appeals

Proceeds from fundraising appeals	2024	2023
	\$	\$
Donations	7,724,258	8,853,635
Bequests	1,207,403	861,126
Gross proceeds from fundraising appeals	8,931,661	9,714,761
Total expenses for fundraising appeals		
Donations	2,855,116	2,779,367
Total expenses for fundraising appeals	2,855,116	2,779,367
Net surplus from fundraising appeals	6,076,545	6,935,394

b. Statement showing how funds received are applied for charitable purposes

	2024	2023
	\$	\$
Net surplus obtained from fundraising appeals	6,076,545	6,935,394
Applied for charitable purposes as follows:		
International programs	47,402,917	55,310,130
Program support costs	4,057,189	4,821,445
Community education	1,158,243	1,337,942
Cost of raising program funds from government and multilateral agencies	778,800	686,431
Accountability and administration	5,356,176	4,899,509
Non-monetary expenditure	417,545	311,566
Total expenses	59,170,870	67,367,023
Shortfall	(53,094,325)	(60,431,629)

Shortfall was met from the following sources:

	2024	2023
	\$	\$
Department of Foreign Affairs & Trade grants	5,781,061	3,285,488
Other Australian grants	13,775,004	16,588,770
Other overseas grants	26,861,181	34,557,615
Investment income	1,144,046	1,408,259
Other income	338,817	616,955
	47,900,109	56,457,087
Net (deficit) transferred to accumulated funds for future use	(5,194,216)	(3,974,542)

For the purposes of the *NSW Charitable Fundraising Act 1991* all fundraising activities were related to public appeals.

Notes to the financial statements cont'd

Note 14 Information required by the *NSW Charitable Fundraising Act 1991* (cont'd)

COMPARISON BY PERCENTAGE	2024 %	2023 %
Total Cost of Public Fundraising/Revenue from the Australian Public	32	29
Net surplus from Fundraising/Revenue from the Australian Public	68	71

Notes to the financial statements cont'd

Note 15 Information required by the ACFID Code of Conduct

Statement of Profit or Loss and other Comprehensive Income

For the Year Ended 30 June 2024

		2024	2023
		\$	\$
REVENUE	<i>Note</i>		
Revenue			
Donations Monetary	3(a)(i)	7,306,713	8,542,069
Donations Non-monetary	3(a)(ii)	417,545	311,566
Bequests and Legacies	3(a)(i)	1,207,403	861,126
Total Revenue from Donations and Bequests		8,931,661	9,714,761
Revenue from contracts with customers (Grants and Contracts)			
Department of Foreign Affairs and Trade	3(a)(i)	5,781,061	3,285,488
Other Australian Grants and Contracts	3(a)(i)	13,775,004	16,588,770
Overseas Grants and Contracts	3(a)(i)	26,861,181	34,557,615
Total Revenue from contracts with customers		46,417,246	54,431,873
Investment income	3(a)(iii)(iv)	1,144,046	1,408,259
Other income		338,817	616,955
Total revenue and income		56,831,770	66,171,848
EXPENDITURE			
International programs			
Funds to international programs	4(a)(i)	47,402,917	55,310,130
Program support costs	4(a)(ii)	4,057,189	4,821,445
Community education	4(a)(iii)	1,158,243	1,337,942
Fundraising costs			
Public	4(a)(iv)	2,855,116	2,779,367
Government, multilateral and private	4(a)(v)	778,800	686,431
Accountability and administration	4(a)(vi)	5,356,176	4,899,509
Non-monetary expenditure – Australian based		417,545	311,566
Total expenditure		62,025,986	70,146,390
NET (DEFICIT) FROM CONTINUING OPERATIONS		(5,194,216)	(3,974,542)
COMPREHENSIVE INCOME			
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
NET (DEFICIT) AFTER COMPREHENSIVE INCOME		(5,194,216)	(3,974,542)

Notes to the financial statements cont'd

Note 16 Information required for New Zealand Ministry of Foreign Affairs and Trade Project

On 1 July 2022, CARE International Timor Leste (CITL) entered into a grant funding agreement with the New Zealand Ministry of Foreign Affairs and Trade (MFAT) for the Lafaek Learning Materials Project (Activity Number: ACT-OA11960) as part of the New Zealand Aid Program. During the financial year, CITL received \$2,283,653 (US\$1,490,997) (FY23:\$3,325,514 (US\$2,225,010)) from MFAT in accordance with this grant funding agreement to implement this project. CITL is a controlled entity of the Company, and the financial performance and position of this project are incorporated into the Company's audited financial statements.

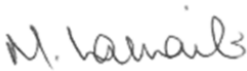
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of the Company, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards, and International Financial Reporting Standards issued by the International Accounting Standards Board, and the *Australian Charities and Not-for-Profits Commission Regulations 2013*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) the provisions of the *Charitable Fundraising Act 1991 (New South Wales)* and the regulations under the Act and the conditions attached to the authority have been complied with;
- (d) the provisions of the *Charitable Fundraising Act 1946 (Western Australia)* and the regulations under the Act and the conditions attached to the authority have been complied with; and
- (e) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

On behalf of the Board



Marcus Laithwaite

Chair



Joseph Tesvic

Treasurer

29 November 2024



**Building a better
working world**

Ernst & Young
121 Marcus Clarke Street
Canberra ACT 2600 Australia
GPO Box 281 Canberra ACT 2601

Tel: +61 2 6267 3888
ey.com/au

Auditor's independence declaration to the directors of CARE Australia

In relation to our audit of the financial report of CARE Australia for the financial year ended 30 June 2024, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.


Ernst & Young


Irene Tzavaras
Partner
Canberra
29 November 2024



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Independent auditor's report to the members of CARE Australia

Report on the financial report

Opinion

We have audited the financial report of CARE Australia (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not for profits Commission Act 2012*, which has been given to the directors of CARE Australia, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the director's report accompanying the financial report

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this 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.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulation 2021* and the requirements of the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*

We have audited the financial report as required by Section 24(1) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulation 2021* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

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

Opinion

In our opinion:

- a. The financial report of CARE Australia has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2024, in all material respects, in accordance with:
 - i. Sections 20(1), 22(1-2), 24(1) of the *NSW Charitable Fundraising Act 1991*;
 - ii. Sections 14(2) and 17 of the *NSW Charitable Fundraising Regulation 2021*;
 - iii. The *WA Charitable Collections Act (1946)*; and
 - iv. The *WA Charitable Collections Regulations (1947)*.
- b. The money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2024 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.



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A handwritten signature in black ink, appearing to read 'ITz', with a long horizontal flourish extending to the right.

Irene Tzavaras
Partner
Canberra
3 December 2024