

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

CAROLINE CHISHOLM SOCIETY

ABN 42 005 066 919

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Page Deliberately Left Blank

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Contents

Financial Statements

Directors' Report	F2
Auditor's Independence Declaration	F7
Independent Auditor's Report	F8
Statement of Profit or Loss and Other Comprehensive Income	F10
Statement of Financial Position	F11
Statement of Changes in Equity	F12
Statement of Cash Flows	F13
Notes to the Financial Statements	F14
Directors' Declaration	F23

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Director's Report

The directors present their annual report together with the financial report of the Caroline Chisholm Society ("the Society") for the financial year ended 30 June 2019 and the auditor's report thereon.

Directors

The directors of the Society at any time during or since the end of the year are:

Names	Appointed/Resigned
Teresa (Tess) Fogarty	10 September 1989 – present
Paul Webster	17 September 1991 – present
Wendy Hunt	21 February 2006 – present
Michael Christie	23 October 2009 – present
Kate Rowswell	18 May 2010 – present
Stuart Rowland	20 November 2012 – present
Philip (Phil) Gatens	21 May 2013 – present
Stephen Mullins	12 May 2015 – present
Sarah Notaro	26 April 2016 – present
Penny Badwal	01 June 2019 - present

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

Principal Activities

The principal activities of the Society during the financial year was the provision of support for pregnant women and families with young children. The objectives of the Society remain the provision of quality pregnancy and family support services, achieved via ongoing collaboration with our service partners, staff and community.

There was no significant change in the nature of the activities of the Society during the year.

Company Secretary

The following person held the position of Company Secretary:

- Philip Gatens

Operating and Financial Review

The net surplus/(deficit) of the Society for the financial year ended 30 June 2019 was (\$227,804), compared to a surplus of \$234,923 in 2018.

There has been a decrease in the net assets of the Society's assets to \$3,303,601, compared to \$3,531,405 in 2018.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Director's Report

Review of Operations

In the directors' opinion, it has been a positive year for the Society in the context of a net deficit of (\$227,804) against a budgeted deficit of (\$278,942). The budgeted deficit generates from a program of investment in several areas of the Society, which included a new Client Relationship Management System (CRMS).

During the financial year, the Society worked towards its objective to grow in three strong locally embedded sites. In Moonee Valley, this is through the community centre at 977 Mount Alexander Road, Essendon. In Melbourne's western growth corridor, we operate in owned and leased space in Darebin Place, Caroline Springs focussing on excellence in the prevention of engagement with child protection. At a leased office in Shepparton, the Society undertakes a volunteer-oriented emergency relief service within the disadvantaged community.

Total revenue for the period ending June 2019 was \$2,004,079, compared to prior period revenue of \$2,492,741.

State of Affairs

In the opinion of the directors, there were no significant changes in the Society's state of affairs during the financial year, not otherwise disclosed in these financial statements.

Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Society, to affect significantly the operations of the Society, the results of those operations, or the state of affairs of the Society in future financial years.

Future Developments, Prospects and Business Strategies

Effective services; strong finances and administration; and, sound governance and management; are the stated strategic objectives of the Society. Financial management continues to be a major focus of the Society's directors. Facilitated strategic planning in collaboration with operational staff and relevant key stakeholders has provided clarity in decision making about the most appropriate use of our scarce resources. The Society is actively exploring opportunities for growth in areas aligned with existing services.

Environmental Issues

The Society's operations are not regulated by any significant environmental regulation under either Commonwealth or State legislation.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Director's Report

Meeting of Directors

The number of directors' meetings and number of meetings attended by each of the directors of the Society during the financial year are:

	Number eligible to attend	Number attended
Teresa (Tess) Fogarty	8	7
Paul Webster	8	7
Wendy Hunt	8	8
Michael Christie	8	8
Kate Rowswell	8	6
Stuart Rowland	8	5
Philip (Phil) Gatens	8	7
Stephen Mullins	8	6
Sarah Notaro	8	7
Penny Badwal	2	2

Information on Directors

Teresa (Tess) Fogarty

Director

Qualifications

Experience

Special Responsibilities

Director since 1989

Moonee Valley Representative

Paul Webster

Director

Qualifications

Experience

Special Responsibilities

MA, LLB

Lawyer

State and National Engagement

Member, Finance Committee

Wendy Hunt

Director

Qualifications

Experience

Special Responsibilities

Dip Teaching

35 years' education field and 20 years in pregnancy support

Goulburn Valley Representative

Michael Christie

President

Qualifications

Experience

Special Responsibilities

MB, BS, FRACGP

General Practitioner, West Brunswick Clinic

Ex Officio Member of all Committees

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Director's Report

Kate Rowswell	Director
Qualifications	BBus (Acc) CA
Experience	Financial Accounting and Reporting
Special Responsibilities	Member, Finance Committee
Stuart Rowland	Vice-President
Qualifications	Law; B.Th. (SCD); B.Litt. (Melb)
Experience	Lawyer
Special Responsibilities	Member, Governance Risk and Clinical Committee Member, Finance Committee
Philip (Phil) Gatens	Secretary
Qualifications	BBus, Grad Dip (BIS), FCPA
Experience	Internal Audit Manager in Financial Services Sector
Special Responsibilities	Chair, Governance Risk and Clinical Committee Ex Officio Member of all Committees
Stephen Mullins	Treasurer
Qualifications	Dip Financial Planning, Dip Financial Markets, Cert Business Studies (Accounting), Cert Superannuation Management
Experience	Financial Services and small business management and operations
Special Responsibilities	Chair, Finance Committee
Sarah Notaro	Assistant Secretary
Qualifications	B Ed (Primary)
Experience	Primary teaching
Special Responsibilities	New Parent Representative Member, Governance Risk and Clinical Committee
Penny Badwal	Director
Qualifications	BIR
Experience	Policy and Communications
Special Responsibilities	Nil

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Director's Report

Indemnifying and Insuring Officers or Auditors

The Society has insurance for each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Society, other than conduct involving a wilful breach of duty in relation to the Society.

Dividends

The Society's constitution precludes the payment of dividends.


Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Society that occurred during the financial year.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 21 of the financial report.

Signed in accordance with a resolution of the Directors:

Director: 

Michael Christie

Dated this 3rd day of September 2019

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue from funding bodies		1,910,429	2,428,397
Other income	5	83,749	54,313
Employee expenses		(1,728,665)	(1,719,937)
Program expenses		(92,550)	(120,757)
Depreciation		(107,069)	(104,243)
Occupancy expenses		(53,871)	(48,572)
Communications and IT		(83,379)	(81,760)
Travel expenses		(35,151)	(36,514)
Motor vehicle financing costs		-	(859)
Other expenses		(131,198)	(145,176)
Results from operating activities		(237,705)	224,892
Finance income		9,901	10,031
Net deficit for the period before income tax expense		(227,804)	234,923
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of Caroline Chisholm Society		(227,804)	234,923
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Caroline Chisholm Society		(227,804)	234,923

The accompanying notes form part of these financial statements.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Financial Position as at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	597,282	745,326
Other assets	7	26,899	24,350
Total current assets		624,181	769,676
Non-current assets			
Property, plant and equipment	8	2,949,134	2,984,120
Total non-current assets		2,949,134	2,984,120
TOTAL ASSETS		3,573,315	3,753,796
LIABILITIES			
Current liabilities			
Trade and other payables		99,108	76,000
Deferred income		54,774	35,083
Hire purchase liability		-	3,600
Employee benefits	9	66,238	59,598
Other Liabilities		-	-
Total current liabilities		220,120	174,281
Non-current liabilities			
Employee benefits	9	41,038	39,595
Hire purchase liability		8,556	8,515
Total non-current liabilities		49,594	48,110
TOTAL LIABILITIES		269,714	222,391
NET ASSETS		3,303,601	3,531,405
EQUITY			
Reserves		118,953	118,953
Retained earnings	10	3,184,648	3,412,452
TOTAL EQUITY		3,303,601	3,531,405

The accompanying notes form part of these financial statements.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Changes in Equity for the year ended 30 June 2019

	Revaluation Reserve \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2017	118,953	3,177,529	3,296,482
Surplus for the year	-	234,923	234,923
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	234,923	234,923
Balance at 30 June 2018	118,953	3,412,452	3,531,405
 Balance at 1 July 2018	 118,953	 3,412,452	 3,531,405
Surplus/(Deficit) for the year	-	(227,804)	(227,804)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(227,804)	(227,804)
Balance at 30 June 2019	118,953	3,184,648	3,303,601

The accompanying notes form part of these financial statements.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Statement of Cash Flows for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash from operating activities:			
Receipts from grants		1,889,895	1,878,755
Receipts from fundraising		6,566	10,252
Receipts from donations		45,579	40,301
Receipts from other operating activities		556,352	553,401
Interest received		9,901	10,031
Payments to suppliers and employees		(2,580,334)	(2,128,624)
Net cash from operating activities		(72,071)	364,116
Cash flows from investing activities:			
Proceeds from the sale of assets		-	3,500
Purchase of property, plant and equipment		(72,082)	(133,089)
Net cash (used in) investing activities		(72,082)	(129,589)
Cash flows used in financing activities:			
Repayments of borrowing		(3,891)	(4,245)
Net cash (used in) financing activities		(3,891)	(4,245)
Net increase / (decreases) in cash held:		(148,044)	230,282
Cash and cash equivalents at beginning of financial year		745,326	515,044
Cash and cash equivalents at end of financial year	6	597,282	745,326

The accompanying notes form part of these financial statements.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements

1. Reporting entity

Caroline Chisholm Society (“the Society”) is a public company limited by guarantee. The Company, referred to as “the Society”, is a not-for-profit entity and is primarily involved in the provision of support for pregnant women and families with young children.

2. Basis of preparation

a. Statement of compliance

The Society adopted AASB 1053 Application of Tiers of Australian Accounting Standards for the financial year beginning on 1 July 2010 to prepare Tier 2 general purpose financial statements.

The financial report of the Society is a Tier 2 general purpose financial report which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDR’s) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The financial statements were authorised for issue by the Board of Directors on 3 September 2019.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis except for land and buildings which is carried at fair value.

c. Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Society’s functional currency.

d. Use of estimates and judgement

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and

assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. Financial instruments

i. Non-derivative financial assets

The Society initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially at the trade date at which the Society becomes a party to the contractual provisions of the instrument.

The Society derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows of the financial asset in a transaction which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Society is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Society has a legal right to offset the amounts

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements

and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Society has the following non-derivative financial assets: trade and other receivables, deposits and cash and cash equivalents.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents comprise cash balances and deposits.

Accounting for finance income is discussed in note 3(g).

ii. Non-derivative financial liabilities

The Society initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Society becomes a party to the contractual provisions of the instrument. The Society derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Society has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Society has the following non-derivative financial liabilities: trade and other payables and deferred income.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

b. Property plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land and buildings which are carried at fair value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Land and buildings held for use in the supply of services and for administrative purposes are stated at their revalued amounts being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Society and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss over the useful lives of each part of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated. Capital works in progress is depreciated when it is available for use.

The estimated useful lives for the current and comparative periods are as follows:

1. Buildings	40 years
2. Plant and equipment	4-8 years
3. Motor vehicle	5 years

The Society recognises its land and buildings at fair value.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

c. Impairment

i. Financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Society on terms that the Society would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

The Society considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements

receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Society uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred and adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Non-financial asset

The carrying amount of the Society's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of

impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, management considers the depreciated replacement cost of an asset when the future economic benefit of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" (CGU)).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements

amortisation, if no impairment loss had been recognised.

d. Employee benefits

i. Other long-term employee benefits

The Society's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs. That benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Commonwealth Corporate bonds that have maturity dates approximating the terms of the Society's obligations.

ii. Short-term benefits

Liabilities for benefits accruing to employees in respect of wages and salaries, and annual leave represent present obligations resulting from employee's services provided to reporting date. Short-term employee benefit expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to be paid as at reporting date, including any related on-costs.

e. Revenue

i. Government funding

Revenue from funding bodies is recognised when the right to receive that revenue has been established.

ii. Other income

Revenue from membership comprises annual membership fees and is recognised in revenue on a straight-line basis over the membership period.

Revenue from donations and fundraising is recognised in revenue when conditions of the

donation have been met. Where the donation is not linked to specific conditions, donations are recognised upon receipt.

f. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an agreement, the Society determines whether such agreement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Society the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Society separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Society concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charged on the liability.

g. Financial income

Finance income comprises interest income on term deposits and bank accounts. Interest income is recognised as it is received.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements

h. Goods and services tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Cash flows are included in the cash flow statement on a gross basis.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows 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 classified as operating cash flows.

i. Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

j. Presentation of financial statements and reduced disclosure

The Society has adopted AASB 1053 Application of Tiers of Australian Accounting Standards, AASB 2010-02 Amendments to Australian Standards arising from Reduced Disclosure Requirements and AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements. This has resulted in a reduction of disclosures for item such as financial instruments, share-based payments, defined benefit superannuation plans, equity accounted investments and business combinations. Comparative information has been re-presented or removed so that it also conforms to the new disclosure requirements.

4. Determination of fair values

The carrying value of financial and non-financial assets and liabilities approximates fair value.

The fair value of land and buildings is based on the directors' assessment of fair value based on recent selling prices in this location.

Refer to Note 3 for accounting policies.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements

5. Other income

	2019 \$	2018 \$
Fundraising	6,566	10,252
Donations	45,579	40,301
Membership fees	984	1,670
Sundry income	507	2,090
Rent	30,113	-
	83,749	54,313

6. Cash and cash equivalents

Cash on hand	356	340
Undeposited funds	-	55
Cash at bank	156,221	98,450
Short term bank deposits	440,705	646,481
	597,282	745,326

7. Other assets

Prepayments	23,921	19,100
Trade debtors	2,978	5,250
	26,899	24,350

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements

8. Property, plant and equipment

	2019 \$	2018 \$
Freehold land and buildings at fair value	2,797,681	2,797,681
Accumulated depreciation	(117,202)	(84,398)
	2,680,479	2,713,283
Fixtures and fittings at cost	223,608	220,935
Accumulated depreciation	(76,197)	(63,377)
	147,411	157,558
Motor vehicles at cost	168,572	168,572
Accumulated depreciation	(113,435)	(85,967)
	55,137	82,605
Computer equipment at cost	116,549	65,116
Accumulated depreciation	(50,442)	(34,442)
	66,107	30,674
Total property, plant and equipment net book value	2,949,134	2,984,120

9. Employee benefits

Current		
Annual leave	66,238	59,598
Non-Current		
Long service leave	41,038	39,595
	107,276	99,193

10. Equity – retained surpluses

Retained surpluses at the beginning of the financial year	3,412,452	3,177,529
Asset Revaluation Reserve	118,953	118,953
Surplus after income tax for the year	(227,804)	234,923
Retained surpluses at the end of the financial year	3,303,601	3,531,405

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Notes to the Financial Statements

11. Contingent assets and contingent liabilities

There were no contingent liabilities, or any contingent assets as at the balance sheet date.

12. Related party transactions

There were no related party transactions during the year. No directors received any remuneration or compensation for their services.

13. Subsequent Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Society, to affect significantly the operations of the Society, the results of those operations, or the state of affairs of the Society, in future financial years.

Our Financial Report

Caroline Chisholm Society – ABN 42 005 066 919
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Directors' Declaration

In the opinion of the directors of Caroline Chisholm Society:

1. there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable, and;
2. the financial statements and notes, as set out on pages 7 to 19 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including;
 - a. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the Society's financial position as at 30 June 2019 and performance of the Society for the financial year ended on that date.

Signed in accordance with a resolution of the Directors:

Director:



Michael Christie

Dated this 3rd day of September 2019

SUITE 101,
486 WHITEHORSE ROAD,
SURREY HILLS, VIC. 3127

BADAWY & ASSOCIATES

www.badawy.com.au

TELEPHONE: (03) 9836 1188
FAX: (03) 9836 7332
EMAIL: info@badawy.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60 – C SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF CAROLINE CHISHOLM SOCIETY

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 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.

Name of Firm: Badawy & Associates
Registered Auditor 7918

Name of Principal: 
Joseph Badawy

Address: Suite 101A /486 Whitehorse Road, SURREY HILLS 3127

Dated this 31st day of August 2019

SUITE 101,
486 WHITEHORSE ROAD,
SURREY HILLS, VIC. 3127



TELEPHONE: (03) 9836 1188
FAX: (03) 9836 7332
EMAIL: info@badawy.com.au

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF CAROLINE CHISHOLM SOCIETY
ABN 42 005 066 919**

Report on the Financial Report

I have audited the accompanying financial report of Caroline Chisholm Society which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the Society are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-Profits Commission Act 2012 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.

Auditor's Responsibility

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

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

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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012. I 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 Caroline Chisholm Society, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF CAROLINE CHISHOLM SOCIETY
ABN 42 005 066 919**

Basis for Qualified Opinion

Donations and other fundraising activities are significant sources of revenue for the Caroline Chisholm Society. The Society has determined that it is impracticable to establish control over the collection of donations and funds from other fundraising activities prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to donations and other fundraising activities had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion, as to whether donations and other fundraising revenue the Caroline Chisholm Society recorded are complete.

Auditor's Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Caroline Chisholm Society is in accordance with Australian Charities and Not-for-Profits Commission Act 2012 including:

- (i) giving a true and fair view of the Society's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards and the Corporations Regulations 2001.

Name of Firm: Badawy & Associates



Name of Principal: Joseph Badawy
Registered Company Auditor

Address: Suite 101A /486 Whitehorse Road, SURREY HILLS 3127

Dated this 3rd day of September 2019

