

REACH OUT



SAINTS CARE LTD 2018 FINANCIAL REPORT



ANNUAL FINANCIAL REPORT

SAINTS CARE LTD
ABN 75 078 973 510

For the financial year ended 30 June 2018



Table of Contents

Directors' Report	4
Auditor's Independence Declaration	9
Financial Statements	10
• Statement of Profit or Loss and Other Comprehensive Income	10
• Statement of Financial Position	11
• Statement of Changes in Funds	12
• Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	31
Auditor's Report	32

Directors' Report

The directors of Saints Care Ltd submit this report on the company for the financial year ended 30 June 2018.

Directors

The names of each person who has been a director during the financial year and to the date of this report are:

1. Benjamin Smith
2. Julie Crittenden
3. Russell Jacka (resigned 18 October 2018)
4. Kenneth Robinson
5. Malcolm Stephenson
6. Jennifer Meurant
7. Adrian O'Dea
8. Alisha Raju
9. Jennifer Robinson

Directors have been in office since the start of the financial year, being 1 July 2017, to the date of this report unless otherwise stated.

Saints Care - Mission Statement

As an expression of our Christian discipleship, we will facilitate the provision of quality compassionate ministries that empower people and enhance their capacity to build communities of joy, hope, love and peace.

Short and long term objectives of the company

The short and long term objectives of Saints Care Ltd, together with operational strategies are:

- 1. To encourage and facilitate Community of Christ congregations to be engaged in compassionate ministries**

Strategies

- a. Congregations will be encouraged to:
 - i. Know the Saints Care mission statement.
 - ii. Elect/appoint compassionate ministry leadership.
 - iii. Initiate compassionate ministries.
 - iv. Provide meaningful opportunities and experiences of service for all ages.
- b. Congregations will be supported by Saints Care personnel and financial resources.

2. To provide meaningful community engagement

Strategies

- a. Congregations will be encouraged to know their community and identify core community issues.
- b. Saints Care will encourage Community of Christ participants to be involved in like-minded community organisations
- c. Saints Care will support congregations in applying for government and non-government funding.
- d. Saints Care will champion and/or auspice community and community-based support networks and organisations including independent accommodation, youth services and community centres.

3. To develop professional governance practices and policies that promote integrity and professionalism

Strategies

- a. Saints Care will produce governance practices and procedure manuals
- b. Saints Care will utilise new and emerging technologies

Principal Activities

To assist in achieving the objectives of the company, the principal activities of Saints Care Ltd are categorised into five operational divisions, namely:

1. **Oblation ministries**; providing financial relief and support to the poor and needy
2. **Independent accommodation**; supporting disadvantaged people with low cost housing
3. **Youth services**; providing living skills, brokerage, accommodation and counselling services to young people who are at risk of homelessness
4. **Community centres**; managing community centres
5. **Congregational compassionate ministries**; supporting Community of Christ congregational social ministry projects

Information on directors

Benjamin Smith

Qualifications/Experience: Bachelor of Arts (Community Development)
Mission President, Community of Christ, Australia
Mission Centre

Special responsibilities: Chair and CEO

Julie Crittenden

Qualifications/Experience: CPA, MCom, Financial Officer, Community of
Christ, Australia Mission Centre

Special responsibilities Company Secretary

Russell Jacka

Qualifications/Experience: Bachelor of Economics, Diploma Education,
Director of Network of Caring,
Co-owner Jackateam Endowment Fund,
Independent Amway business co-owner

Kenneth Robinson

Qualifications/Experience: B. Psych; M. Psych; Retired Community of Christ
Appointee minister

Malcolm Stephenson

Qualifications/Experience: Bachelor of Arts (Liberal Studies) Business
Administration – Graceland University; Master of
Religion – Park University
Retired Community of Christ Appointee minister

Jennifer Meurant

Qualifications/Experience: BEc, MBus, Grad Cert Inn, Grad Cert Chge Mgt
Academic Director Institute of Strategic
Management, Principal KNJ Consulting

Adrian O’Dea

Qualifications/Experience: Cert IV Government:Statutory Compliance, Cert III
in Business (Frontline Management), Community
of Christ – Ordained Minister (Elder), Local
Congregational Financial Officer

Alisha Raju

Qualifications/Experience: MBA (Pending), Post Graduate Certificate in
Management, Diploma Project Management,
Bachelor Business (Human Resource
Management & Industrial Relations).
Senior Project Manager

Jennifer Robinson

Qualifications/Experience: BA(Hons), MA & PhD(Mass Communication), MPRIA(Professional member of The PR Institute of Australia).
 Program Manager & Lecturer, RMIT University;
 some board experience in non-profit sector;
 volunteer Community of Christ leadership roles in US and Australia

Meetings of directors

During the financial year, eight meetings of directors were held. Attendances by each director were as follows:

	<u>Number eligible to attend</u>	<u>Number attended</u>
Benjamin Smith	5	5
Julie Crittenden	5	5
Russell Jacka	5	4
Kenneth Robinson	5	5
Malcolm Stephenson	5	3
Jennifer Meurant	5	5
Adrian O'Dea	5	4
Alisha Raju	5	4
Jennifer Robinson	5	5

Indemnification of officers and auditors

During the year Saints Care Ltd paid professional indemnity and director's and officer's liability insurance for all of its directors and officers.

Directors Interests

The directors had no material interests in contracts or proposed contracts with Saints Care Ltd during the financial year other than those disclosed in Note 11 Related Parties.

Performance Measurements

Saints Care Ltd monitors its performance against budget. The budget is approved by the board of directors and ratified by Community of Christ Australia Mission Conference prior to the commencement of the financial year. Financial results are presented to the board of directors by Financial Officer. The board uses this information for future planning, tracking progress over time and determining whether agreed objectives or standards have been met.

The board reviews performance based on operational divisions, which are identified by the types of services being provided. Refer to Note 4 Operational Divisions, for more details on performance of individual operational divisions.

Events Subsequent to reporting date

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

Company limited by guarantee

Saints Care Ltd is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2017 the total amount that members of the company are liable to contribute if the company is wound up is \$220.

Auditor's Independence Declaration

The Auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on the following page of the annual report.

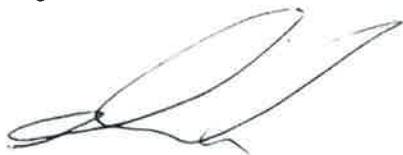
Registered Office

The registered office and principal place of business is 12 Taylor St, West Pennant Hills, New South Wales 2125.

Notice of Meeting

The Annual General Meeting of Saints Care Ltd will be held on 13 November by video conference, where this report will be presented.

Signed in accordance with a resolution of the Board of Directors



Benjamin Smith
Chair/ Director
31 October 2018



Julie Crittenden
Company Secretary/Director
31 October 2018



Frost Crane & Co
ABN 89 625 234 511
AFSL No. 484233

PO Box 2605
Carlingford NSW 2118
Unit 1, 7 Lloyds Avenue
Carlingford NSW 2118

Phone (02) 8820 2020
Fax (02) 9872 7400
Email contact@frostcrane.com
Web www.frostcrane.com

**SAINTS CARE LIMITED
ABN 75 078 973 510**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 AUSTRALIAN
CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

TO THE DIRECTORS OF Saints Care Limited

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

- i. no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits*
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Frost Crane & Co
Bruce Frost CA
Carlingford, NSW
Registered Company Auditor
31 October 2018



Financial Statements

Saints Care Ltd
ABN: 75 078 973 510

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Grant revenue from rendering services	5	881,915	870,726
Investment income – interest and distribution	6	375,950	431,109
Investment income – distribution (loss)/gain on sale	6	32,851	(23,916)
Rental income		61,949	97,668
Donations	7	72,740	174,284
Gain on sale of assets held for sale		321	-
Other income	8	145,614	122,181
Total revenue from operating activities	4	1,571,340	1,672,052
Youth support services		835,814	856,311
Congregation compassionate ministries		141,195	182,090
Community centres		-	250
Independent accommodation		29,967	37,969
Oblation aid		17,163	3,425
Administration	10	430,816	421,008
Total expenses from operating activities	4	1,454,955	1,501,053
Result before investment re-measurement (loss)/gain		116,385	170,999
Net (loss)/gain on re-measurement of investments at fair value	6	271,056	53,319
Result for the year		387,441	224,318
Other comprehensive income		-	-
Total comprehensive income for the year		387,441	224,318

The accompanying notes form part of these financial statements

Statement of Financial Position As at 30 June 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	11	200,690	264,442
Receivables		33,849	48,909
Financial Investments	12	2,634,064	2,846,296
Total Current Assets		<u>2,868,603</u>	<u>3,159,647</u>
Non-Current Assets			
Receivables		-	-
Financial investments	12	7,267,880	6,624,456
Property, plant & equipment	13	287,091	281,428
Total Non-Current Assets		<u>7,554,971</u>	<u>6,905,884</u>
TOTAL ASSETS		<u>10,423,574</u>	<u>10,065,531</u>
Current Liabilities			
Unexpended Grants	14	20,426	40,027
Payables		47,719	32,870
Provisions	15	109,584	135,423
Total Current Liabilities		<u>177,729</u>	<u>208,320</u>
Non-Current Liabilities			
Provisions	15	12,578	11,385
Total Non-Current Liabilities		<u>12,578</u>	<u>11,385</u>
TOTAL LIABILITIES		<u>190,307</u>	<u>219,705</u>
NET ASSETS		10,233,267	9,845,826
Funds			
Retained funds		6,784,443	6,404,258
Reserves		3,448,824	3,441,568
TOTAL FUNDS		10,233,267	9,845,826

The accompanying notes form part of these financial statements

Statement of Changes in Funds
For the year ended 30 June 2018

	Note				
	2(j)	Retained Funds	Capital Reserve	Special Purpose Reserves	Total
Balance at 30 June 2016		\$6,171,790	\$3,374,661	\$75,057	\$9,621,508
Comprehensive income					
Result for the year		\$224,318	-	-	\$224,318
Other comprehensive income		-	-	-	-
Total comprehensive income		\$224,318	-	-	\$224,318
Transfer from Special Purpose Reserves		\$8,150	-	(\$8,150)	-
Balance at 30 June 2017		\$6,404,258	\$3,374,661	\$66,907	\$9,845,826
Comprehensive income					
Result for the year		\$387,441	-	-	\$387,441
Other comprehensive income		-	-	-	-
Total comprehensive income		\$387,441	-	-	\$387,441
Transfer from Special Purpose Reserves		\$8,744	-	(\$8,744)	-
Transfer to Special Purpose Reserves		(\$16,000)	-	\$16,000	-
Balance at 30 June 2018		\$6,784,443	\$3,374,661	\$74,163	\$10,233,267

For a description of each reserve, please refer to note 2(i)

Statement of Cash Flows
For the year ended 30 June 2018

	Notes	<u>2018</u>	<u>2017</u>
		\$	\$
Cash flows from operating activities			
Receipts from grants		971,518	945,960
Receipts from other supporters		394,562	576,691
Payments to suppliers and employees		(1,659,557)	(1,794,901)
Investment income		408,801	431,109
<i>Net cash provided by operating activities</i>	17	<u>115,324</u>	<u>158,859</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		15,045	-
Payment for Property, plant and equipment		(33,985)	(9,077)
Redemption of investments		407,304	371,869
Payment for investments		(567,440)	(563,146)
<i>Net cash used in investment activities</i>		<u>(179,076)</u>	<u>(200,354)</u>
Net increase/(decrease) in cash held		(63,752)	(41,495)
Cash and cash equivalents at the beginning of financial year		264,442	305,937
Cash and cash equivalents at the end of financial year	11	<u>200,690</u>	<u>264,442</u>

The accompanying notes form part of these financial statements

Saints Care Ltd
ABN: 75 078 973 510

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1 Organisation and Nature of Operations.

Saints Care Ltd is a charity arm of Community of Christ in Australia. Community of Christ is an international Christian denomination with 250,000 members in 1,100 congregations in approximately 51 nations. The mission of the Church is to proclaim Jesus Christ and promote communities of joy, hope, love and peace. In Australia, the Community of Christ offers:

- A community of people where the gospel of Jesus Christ is the focus of worship, learning, caring and mission.
- Local congregations where deep friendships are established and individual ideas are valued.
- A global community with a worldwide mission that values all cultures and celebrates the rich diversity of human life.
- Meaningful opportunities to serve Jesus Christ by helping others and promoting peace.

The principal activities of Saints Care Ltd during the financial year were to provide financial relief and support to the poor and needy, to support disadvantaged people with low cost housing, to provide accommodation support, living skills, mentoring, outreach and case management to young people who are at risk of homelessness and to develop social ministry outreach programs in partnership with congregations of Community of Christ (for example, Hope Safari in Brisbane, Food Pantry in Perth and the Bendigo and Frankston Community Camps).

Note 2 Statement of Significant Accounting Policies

(a) Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards (AASBs) adopted by the Australia Accounting Standards Board and the Australian Charities and Not-for-profit Commission Act 2012 except for the AIFRS standards as more fully explained in note 3.

The financial statements cover Saints Care Ltd, a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 31 October 2018 by the directors of the company.

Statement of Significant Accounting Policies (continued)

(b) Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

These financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

(c) Taxation

Income tax

No provision for income tax has been made in these accounts as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. The company holds deductible gift recipient status.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances it is recognised as part of the cost of acquisition of an asset or as part of an item of expense as applicable.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the Australian Taxation Office is included with other receivables or payables (current) in the statement of financial position.

Cash flows are included in the statements of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from or payable to the Australian Taxation Office, are classified as operating cash flows.

(d) Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Significant Accounting Judgements

Grants Received

Once the Company has been notified of the successful outcome of a grant application, the terms and conditions of each grant are reviewed to determine whether the funds relate to a reciprocal grant (i.e. payment for services rendered) in which case it is accounted for under AASB 118 Revenue or a non-reciprocal grant in which case it is accounted for under AASB 1004 Contributions.

Statement of Significant Accounting Policies (continued)

(e) Property, Plant, and Equipment

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

The carrying amount of property, plant, and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. In the situation where the carrying value is greater than the estimated recoverable amount, the carrying value is immediately written down to its estimated recoverable amount. The estimated recoverable amount is assessed as the greater of fair value less costs to sell and value in use.

Fair value is 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. The highest and best use of the land and buildings are considered in determining valuation. Directors' valuations are used if an independent valuation does not take place during an annual reporting period.

Where property, plant or equipment is held to provide a service rather than to generate cash, value in use is determined as the depreciated replacement cost.

Depreciation

The depreciable amount of property, plant and equipment is depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use on a reducing balance basis.

Properties held for service purposes (Independent Accommodation) are held at deemed cost in 2004. Land is not depreciated.

The depreciation rates for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Furniture & fittings	6.70-25%
Office equipment	25-60%
Motor vehicles	23%
Buildings	3.75%

Assets residual values and useful lives are reviewed and adjusted, if appropriate, at each financial year-end.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Statement of Significant Accounting Policies (continued)

(f) Financial Investments

Financial investments represent the unit value of funds invested in Community of Christ Ltd's pooled investment fund.

Financial investments have been reported as 'fair value through profit or loss' to enable performance evaluation on a fair value basis in accordance with a documented risk management or investment strategy. Fair value represents the amount for which an asset could be exchanged between knowledgeable willing parties.

Investments in the fund are initially measured at cost on trade date when the related contractual or obligations exist. Then subsequently measured, at each reporting date, at fair value with realised and unrealised gains and losses arising from changes in the fair value of these assets included in the income statement in the period in which they arise.

Saints Care Ltd apportions the financial investments unit value between current and non-current assets based on Community of Christ Ltd's pooled investment fund determination.

(g) Employee Entitlements

Employee entitlements comprise wages and salaries (including non-monetary benefits), non-vesting accumulating sick leave, annual and long service leave.

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in payables (current) in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date are recognised in provisions (current) as the Company does not have an unconditional right to defer settlement of these liabilities for at least 12 months after the end of the reporting period. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled including the on-costs of applicable government superannuation guarantee contribution and workers compensation. Annual leave not expected to be paid within 12 months has been based on current pay rates and not discounted as the difference is immaterial.

The liability for long service leave is recognised in current provisions when the Company does not have an unconditional right to defer settlement of this liability for at least 12 months after the end of the reporting period otherwise the liability is recognised as non-current and measured as the present value of expected future payments to be made in respect of services provided by the employees. This non-current liability has been calculated using a recognised shorthand method that recognises a liability for employees who meet the minimum continuous service periods under state long service leave legislation based on current pay rates as there is an immaterial difference using this method. On-costs of applicable government superannuation guarantee contribution and workers compensation have been included when they are expected to be paid.

No liability has been recognised for sick leave as it does not vest and past experience indicates that on average, sick leave taken each reporting period is less than the entitlement accruing in that period.

Statement of Significant Accounting Policies (continued)

(h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement cash and cash equivalents is as defined above net of any outstanding bank overdrafts.

(i) Revenue

Revenue is recognised as follows:

Donations

Donations collected from congregations of Community of Christ are recognised in the reporting period in which funds are collected and due. Other donations are recognised when received.

Rental Income

Rental incomes are recognised when the right to receive it as per the lease occurs.

Government Grants

Grants are recognised when control or the right to receive the contribution is received and it is probable that the economic benefits gained from the grant will flow to the Company and the grant can be reliably measured.

Investment Income

Distributions from Community of Christ Ltd's pooled investment fund are recognised as income when declared.

Interest revenue is recognised as it accrues, taking in to account the interest rates applicable to the financial assets.

Other Income

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

Other revenue is recognised when the right to receive the revenue has been legally established and the amount can be reliably measured.

No amounts are included in the statements for services donated by volunteers.

(j) Reserves

Capital Reserve: The Capital Reserve was created from the sale of property owned by Saints Care Ltd. The primary purpose of the reserve is to help fund the operation of the company from the interest received from the capital invested.

Special Purpose Reserves: These reserves have been created by the donations of monies for a specific purpose. The reserves will be extinguished when the money is used for the purpose specified by the donors.

Statement of Significant Accounting Policies (continued)

(k) Comparatives Edited

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

(l) Economic Dependence

Saints Care Ltd is dependent on the NSW Department of Family and Community Services for the majority of its revenue to operate the Youth Support Services division that provides specialist services to young people at risk of homelessness under the NSW Government Going Home Staying Home (GHSH) reforms.

(m) New Standards and Interpretations Not Yet Adopted

At the date of authorisation of the financial report, the following material Standards and Interpretations were issued but not yet effective:

- AASB 15 Revenue (applies to annual reporting periods beginning on or after 1 January 2019)
- AASB 16 Leases (applies to annual reporting periods beginning on or after 1 January 2019)

Saints Care Ltd is assessing the potential impact on its financial statements of these new and revised Standards & Interpretations.

Saints Care Ltd has operating lease commitments for residential and commercial property. Preliminary assessment of the impact of AASB 16 *Leases* may result in a material gross up of assets and liabilities for the Youth Services Division.

Note 3 Compliance with Australian equivalents to International Financial Reporting Standards

Consideration was given to the requirements contained in Australian Accounting Standards that are equivalents to the International Financial Reporting Standards (AIFRS). The directors consider that, given the size and nature of the company and its operations, the adoption of all AIFRS is not warranted. Many of the provisions in the AIFRS are not applicable to the company including the regulations relating to dividends, borrowing, debt equity ratios, consideration of employee incentive schemes involving shares and share options, contracts when purchasing another company, and other similar transactions. If the said standard was adopted then there would be no material impact on the financial statements.

Further, AASB 1053 Application of Tiers of Accounting Standards, commenced 1 July 2013. As a not-for-profit entity, the company is eligible to apply Tier 2 reporting requirements. As the company has decided to apply some of the available 'reduced disclosure' this precludes compliance with some AIFRS.

Note 4 Operational Divisions

Saints Care Ltd comprises the following five main operational divisions:

1. **Oblation ministries:** providing financial relief and support to the poor and needy
2. **Independent accommodation:** supporting disadvantaged people with low cost housing
3. **Youth services:** providing living skills, brokerage, accommodation and counselling services to young people who are at risk of homelessness

Saints Care Ltd is dependent on the NSW Department of Family and Community Services for the majority of its revenue to operate the Youth Support Services division that provides specialist services to young people at risk of homelessness under the NSW Government Going Home Staying Home (GSH) reforms. Saints Care Ltd major program in a joint working arrangement with Catholic Care Social Services Diocese of Parramatta under this funding is called 'Youth Resolutions'.

Saints Care Ltd decided to cease being a Community Housing Provider effective 30 June 2017 and terminated its Community Housing Assistance Agreement: Homelessness Services Property lease with NSW Family and Community Services together with its associated contract with Mission Australia. Therefore 'Hills' service as per note 4 finished 30 June 2017, expenditure in 2018.

4. **Community centres:** managing community centres.

Saints Care Ltd board decided to cease management of the Community Centre at Kingsley on 19 December 2010 with cessation of management to be timed to coincide with the expiration of Saints Care Ltd's management agreement with the Western Australian Government's Department for Communities on 30 September 2011. The agreement was extended to 31 October 2011 at the department's request and management then ceased at this date. The Community Centre at Kingsley operated on funding provided by department therefore no material financial effect occurred. Minor ongoing expenses are still incurred mainly pertaining to insurance.

5. **Congregational compassionate ministries:** supporting Community of Christ congregational social ministry projects. For example, Hope Safari in Brisbane, Food Pantry in Perth and the Bendigo and Frankston Community Camps.

Note 4 Operational Divisions (continued)

2018	Oblation	Independent Accommodation		Youth Services		Congregational Compassionate Ministries			General & Admin.	Total
		Brisbane	Coffs Harbour	Hills	Youth Resolutions	Hope Care	Guildford Café	Other		
Grants					881,915					881,915
Investment Income				51	1,418		3		407,329	408,801
Rental Income		53,459	6,240	2,250						61,949
Donations	39,215			2,277	450			5,375	25,423	72,740
Gain on sale assets					321					321
Other Income								15,693	129,921	145,614
Total revenue	39,215	53,459	6,240	4,578	884,104		3	21,068	562,673	1,571,340
Personnel expenses					(339,534)			(122,385)	(351,496)	(813,415)
Client aid & program expenses	(17,163)		(3,897)	(13,322)	(245,589)	93		(12,832)		(292,710)
Client property exp							(50)			(50)
Equipment					(1,007)				(6,645)	(7,652)
Occupancy & maintenance		(23,798)			(28,391)				(13,448)	(65,637)
Depreciation		(2,272)			(4,616)			(1,469)	(5,240)	(13,597)
Audit					(2,483)		(80)		(3,880)	(6,443)
CCSS					(175,341)					(175,341)
Other					(25,531)		(199)	(4,273)	(50,107)	(80,110)
Total expenses	(17,163)	(26,070)	(3,897)	(13,322)	(822,492)	93	(329)	(140,959)	(430,816)	(1,454,955)
Result before investment loss/gain	22,052	27,389	2,343	(8,744)	61,612	93	(326)	(119,891)	131,857	116,385
Investment loss/gain									271,056	271,056
Result for the year	22,052	27,389	2,343	(8,744)	61,612	93	(326)	(119,891)	402,913	387,441

Note 4 Operational Divisions (continued)

2017	Oblation	Independent Accommodation			Youth Services			Comm. Centres	Congregational Compassionate Ministries			General & Admin.	Total
		Brisbane	Sydney	Coffs Harbour	Northern Sydney	Hills	Youth Rez		Kingsley	Hope Care	Guildford Café		
Grants							870,726						870,726
Investment Income					13	62	1,293	47	1	4		405,773	407,193
Rental Income		54,566		6,240		36,862							97,668
Donations	39,069					3,059				72	16,440	115,644	174,284
Gain on sale assets													
Other Income										385	11,901	109,895	122,181
Total revenue	39,069	54,566		6,240	13	39,983	872,019	47	1	461	28,341	631,312	1,672,052
Personnel expenses							(309,140)		(6)		(152,499)	(357,904)	(829,549)
Client aid & program expenses	(3,425)						(280,910)			(277)	(12,670)		(297,282)
Client property exp		(34,558)	107	(3,518)	(1,850)	(27,027)						(4,358)	(71,204)
Equipment							(14,697)					(2,100)	(16,797)
Occupancy & maintenance						(13,056)	(8,054)			(150)		(4,725)	(25,985)
Depreciation							(8,207)				(1,793)	(4,813)	(14,813)
Audit						(591)	(1,891)		(420)	(84)		(4,103)	(7,089)
CCSS							(162,872)						(162,872)
Other					(530)	(2,845)	(24,641)	(250)	(250)	(845)	(3,096)	(43,005)	(75,462)
Total expenses	(3,425)	(34,558)	107	(3,518)	(2,380)	(43,519)	(810,412)	(250)	(676)	(1,356)	(180,058)	(421,008)	(1,501,053)
Result before investment loss/gain	35,644	20,008	107	2,722	(2,367)	(3,536)	61,607	(203)	(675)	(895)	(151,717)	210,304	170,999
Investment loss/gain												53,319	53,319
Result for the year	35,644	20,008	107	2,722	(2,367)	(3,536)	61,607	(203)	(675)	(895)	(151,717)	263,623	224,318

Note 5 Grant Revenue

	2018 \$	2017 \$
Government grants	881,915	867,076
Other organisations	-	3,650
	<u>881,915</u>	<u>870,726</u>

Note 6 Investment Income

	2018 \$	2017 \$
Interest from cash deposits – Westpac	<u>1,537</u>	<u>1,493</u>
<u>Community of Christ Ltd Investment Fund distribution</u>		
Interest	144,451	180,557
Distributions	249,336	288,944
Franking credit refund from ATO	13,431	17,945
Gain/(loss) on sale of investments	32,851	(23,916)
Portfolio and management expenses	(32,805)	(45,185)
Property management expenses	-	(12,645)
	<u>407,264</u>	<u>405,700</u>
Gain/(loss) on re-measurement of investments at fair value	271,056	53,319
Total Community of Christ Ltd Investment Fund result for the year	<u>678,320</u>	<u>459,019</u>
Simple net return on 1 July opening balance units in Community of Christ Investment Fund (operating drawdowns of \$247,129 in 2018 (\$238,341 in 2017) affected return).	7.16%	4.96%

Community of Christ Ltd Investment Fund changed their method of valuing investments at fair value from cum dividend to ex dividend in 2017. This resulted in a distribution of \$126,158 for 2016 being recognised as income in 2017 and distributed to Saints Care Ltd as part of the overall 2017 distribution. Further, Community of Christ Ltd discovered \$12,645 had been distributed to Saints Care Ltd in 2016 and 2015 in error relating to direct property net income and was deducted in 2017.

Note 7**Donations**

	2018	2017
	\$	\$
Community of Christ church members & friends	72,740	174,284
Others	-	-
	72,740	174,284

Note 8**Other Income**

	2018	2017
	\$	\$
Accounting and administration fees	129,921	109,894
Program fees	-	385
Fundraising income	-	600
Other	15,693	11,302
	145,614	122,181

Note 9**Personnel Expenses**

	2018	2017
	\$	\$
Wages, salaries, allowances, benefits & superannuation	531,380	505,682
Provision for annual & long service leave	24,886	13,136
Motor Vehicles	8,225	8,068
Workers compensation insurance	15,683	15,253
Other eg. training	3,124	6,242
	583,298	548,381
Community of Christ ministerial & administrative staff fee	230,117	281,168
	813,415	829,549

Employee numbers

Average number of full-time equivalent employees – Saints Care employees	6	6
Average number of full-time equivalent employees – Community of Christ ministerial & administrative staff	2	3

Note 10

Related Parties

Community of Christ/Ltd

Saints Care Ltd is a charity arm of Community of Christ in Australia. The Presiding Bishopric of Community of Christ is trustee for all assets of the church worldwide. Community of Christ's Australia Mission Financial Officer acts as agent for the Presiding Bishopric in Australia and serves as a director and company secretary for Saints Care Ltd. Community of Christ's Australia Mission President serves as chair & CEO for Saints Care Ltd.

Community of Christ (Australia Mission) and Community of Christ Ltd provide staffing and administration to Saints Care Ltd; \$230,117 of the 'personnel expenses'(see notes 4 and 10) incurred by Saints Care Ltd was for ministerial and administrative staff expenses recouped by Community of Christ Ltd during the 2018 year (\$281,168 in 2017).

Community of Christ Ltd and Saints Care Ltd also share an office; \$26,523 of 'general & administration' expenses incurred by Saints Care Ltd was for occupancy and general administration and office running costs recouped by Community of Christ Ltd during the 2018 year (\$20,854 in 2017). Other shared expense were split at the time of payment to the supplier.

Saints Care Ltd provides accounting and administration services to Community of Christ Ltd; \$129,921 of the 'general & administration' 'other income' (see note 4 & 9) incurred by Saints Care Ltd was recouped from Community of Christ during the 2018 year (\$109,894 in 2017).

Community of Christ Ltd receives a consolidated flat audit fee from Frost Crane & Co for audit services rendered for Community of Christ Ltd, Presiding Bishopric and Saints Care Ltd. During the 2018 year, Saints Care Ltd paid Community of Christ Ltd \$7,004 (\$7,089 in 2017) for audit fees.

Directors Compensation

Except for Community of Christ Australia Mission President and Financial Officer (as mentioned above) and an ex-officio director who is a counsellor to the Financial Officer employed part-time to assist the Financial Officer, directors' act in an honorary position and receive no compensation for their services. During the year travel and meal expenses totalling \$1,498 (\$1,223 in 2017) incurred by the directors in fulfilling their role were reimbursed.

Mr M Henricks (director in 2017) is CEO of Helping Hands Program Pty Ltd, this organisation operates a project called The Water Works Program. During 2017 and 2018 Saints Care Ltd sponsored the supply of water filtration systems for villages in Uganda with The Water Works Program.

Note 11 Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank	200,390	263,706
Others	300	736
Total cash and cash equivalents as stated in the statement of financial position	200,690	264,442

Note 12 Financial Investments**Current**

	2018	2017
	\$	\$
Financial assets at fair value through profit or loss - Unit value of funds invested in Community of Christ Ltd's pooled investment fund	2,634,063	2,846,296

Non-Current

Financial assets at fair value through profit or loss - Unit value of funds invested in Community of Christ Ltd's pooled investment fund	7,267,880	6,624,456
---	------------------	-----------

Total unit value of funds invested in Community of Christ Ltd's pooled investment fund	9,901,403	9,470,752
--	------------------	-----------

Financial investments have been reported as 'fair value through profit or loss' to enable performance evaluation on a fair value basis through a documented risk management or investment strategy.

Financial assets at 'fair value through profit or loss' are measured at fair value and changes therein, including any interest or dividend income, are recognised in the profit or loss.

Note 13 Property, Plant and Equipment

	2018	2017
	\$	\$
Furniture and Fittings at cost	55,735	21,750
Less Provision for Depreciation	<u>(14,344)</u>	<u>(9,399)</u>
Net Value Furniture and Fittings	<u>41,391</u>	<u>12,351</u>
Office Equipment at Cost	8,090	8,090
Less Provision for Depreciation	<u>(7,030)</u>	<u>(6,454)</u>
Net Value Office Equipment	<u>1,060</u>	<u>1,636</u>
Motor Vehicles at cost	35,028	60,312
Less Provision for Depreciation	<u>(16,645)</u>	<u>(21,120)</u>
Net Value Motor Vehicle	<u>18,383</u>	<u>39,192</u>
West Pennant Hills office building at original cost	81,717	81,717
Less Provision for Depreciation	<u>(29,964)</u>	<u>(27,972)</u>
Net Value West Pennant Hills Office Building	<u>51,753</u>	<u>53,745</u>
Independent Accommodation land and buildings at cost*	174,504	174,504
Net Property, Plant and Equipment	<u>287,091</u>	<u>281,428</u>

*Land and buildings is stated at deemed cost in 2004.

Note 13 Property, Plant and Equipment (continued)

Movements in Carrying Values

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

	Furniture & Fittings	Office Equipment	Motor Vehicles	WPH Office Building	Independent Accommodation Land & Building	Total
	\$	\$	\$	\$	\$	\$
2016						
Balance at the beginning of the year	5,121	2,545	49,192	55,802	174,504	287,164
Additions at cost	9,077	(2,534)	(28,007)			(21,464)
Disposals (including transfer to 'asset held for sale')		2,534	28,007			30,541
Depreciation expense	(1,847)	(909)	(10,000)	(2,057)		(14,813)
Carrying amount at 30th June 2017	12,351	1,636	39,192	53,745	174,504	281,428
2017						
Balance at the beginning of the year	12,351	1,636	39,192	53,745	174,504	281,428
Additions at cost	33,985					33,985
Disposals (including transfer to 'asset held for sale')			(14,725)			(14,725)
Depreciation expense	(4,944)	(576)	(6,085)	(1,992)		(13,597)
Carrying amount at 30th June 2018	41,392	1,060	18,382	51,753	174,504	287,091

Note 14 Unexpended Grants

	2018	2017
	\$	\$
Youth Services: Youth Resolutions unspent grant monies received from NSW Department of Family & Community Services(NSW FACS),	15,826	35,427
Other	4,600	4,600
	<u>20,426</u>	<u>40,027</u>

Note 15 Provisions

	2018	2017
	\$	\$
Current		
Employee Benefits – Annual Leave	63,802	83,215
Employee Benefits – Long Service Leave	45,782	52,208
	<u>109,584</u>	<u>135,423</u>
Non-Current		
Employee benefits – Long Service Leave	12,578	11,385

Note 16 Contingent Liabilities

Directors are of the opinion that there are no provisions required for contingencies in 2018 or 2017.

Note 17 Notes to the statement of cash flow Information

	2018	2017
	\$	\$
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	200,390	305,187
Cash on hand (petty cash)	300	736
	<u>200,690</u>	<u>264,442</u>
(b) Reconciliation of cash flows from operations with surplus for the year		
Surplus for the year	387,441	224,318
Non-cash flows in surplus		
Depreciation	13,597	14,813
Revaluation of Investment Pool Units	(271,056)	(53,319)
Net (gain)/loss on disposal of financial investment	(321)	23,916
Net (gain)/loss on disposal of property, plant and equipment	-	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	15,060	103,466
Increase/(decrease) in payables	(4,751)	(167,473)
Increase/(decrease) in provisions	(24,646)	13,137
Cash flows from operations	<u>115,324</u>	<u>(158,859)</u>

Note 18 Events after the Reporting Period

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

Note 19 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Memorandum and Articles of Association state that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. As at 30 June 2018 the number of members was eleven.

Saints Care Ltd
ABN: 75 078 973 510

Directors' Declaration

The directors declare that in the directors' opinion:

(a) there are reasonable grounds to believe that the registered entity will be able to pay all of its debts, as and when they become due and payable;

and

(b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012

Signed in accordance with sub-section 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.



Benjamin Smith
Director/Chair

Dated: 31 October 2018



Julie Crittenden
Director/Company Secretary

Dated: 31 October 2018



Frost Crane & Co
ABN 89 625 234 511

AFSL No. 484233

PO Box 2605
Carlingford NSW 2118
Unit 1, 7 Lloyds Avenue
Carlingford NSW 2118

Phone (02) 8820 2020
Fax (02) 9872 7400
Email contact@frostcrane.com
Web www.frostcrane.com

SAINTS CARE LIMITED
ABN 75 078 973 510
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAINTS CARE LIMITED

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report of Saints Care Limited which comprises the statement of financial position as at 30th June 2018 and the statement of comprehensive income statement, statement of changes in equity, and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In my opinion the financial report of Saints Care Limited have been prepared in accordance with Division 60 of 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, 2018 and of their performance for the year ended on that date; and
- ii. complying with Accounting Standards to the extent described in Note1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the financial report section of my report. I am independent of the company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for professional accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.



Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Directors' Responsibility for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of ACNC Act and the needs of members in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility also includes such internal controls as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but it 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Accounting Standards, professional judgement is exercised and professional scepticism is maintained throughout the audit. I also:

- Analyse the risks of material misstatement in the financial report are identified and assessed, whether due to fraud or error, and design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I were to conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



31/10/18

Frost Crane & Co
Bruce Frost CA
Carlingford. NSW
Registered Company Auditor