

**CATHOLIC CAPITAL GRANTS (VICTORIA) LIMITED**  
**A.C.N. 006 942 829**

**Financial Statements for the Year Ended**  
**31 December 2016**

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**Catholic Capital Grants (Victoria) Limited**  
**A.C.N. 006 942 829**  
**Financial Statements for the Year Ended 31 December 2016**

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**Catholic Capital Grants (Victoria) Limited**

**A.C.N. 006 942 829**

**Directors' Report**

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The Directors of the Catholic Capital Grants (Victoria) Limited ("the Company") submit herewith the directors report and the annual financial statements of the company for the financial year ended 31 December 2016.

The names and particulars of the directors of the company during the financial year are:

**Rev Mgr Gregory Bennet, VG**

MS, STL

Chairperson from 2/03/2012

Appointee of the Archbishop of Melbourne

Appointed 2/03/2012

**Mr Stephen Elder OAM**

Company Secretary

BEd, DipEd

Executive Director of Catholic Education (Archdiocese of Melbourne)

Appointee of the Archbishop of Melbourne

Appointed 18/9/2006

**Ms Audrey Brown**

BA, DipEd, MEd, MEd System Leadership, Grad Cert RE, Grad Dip Arts (Theol), Grad Cert Ed Law

Director of Catholic Education (Diocese of Ballarat)

Appointee of the Bishop of Ballarat

Appointed 13/02/2012

**Mr Paul Desmond**

BEd, Grad Dip RE, Grad Dip Student Guidance and Welfare

Director of Catholic Education (Diocese of Sandhurst)

Appointee of the Bishop of Sandhurst

Appointed 28/01/2015

**Sr Julianna Drobik OP**

BEd, M Ed Leadership, Grad Dip RE, Grad Dip Education Admin

Appointee of the Catholic Religious Victoria

Appointed 1/05/2013

**Mr Paul Herrick**

BA, DipEd, MEd, Grad Dip Curriculum

Appointee of the Catholic Religious Victoria

Appointed 1/05/2007

**Rev Mgr Anthony Ireland EV PP**

BTheol, STL MA, STD

Appointee of the Archbishop of Melbourne

Appointed 31/05/2011

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**Catholic Capital Grants (Victoria) Limited**

**A.C.N. 006 942 829**

**Directors' Report**

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**Ms Maria Kirkwood**

BEd, Grad Dip Arts (Social Sciences), Certificate of Teacher Education  
Director of Catholic Education (Diocese of Sale)  
Appointee of the Bishop of Sale  
Appointed: 23/10/2012

**Mr Francis Moore**

LLB, BCom  
Executive Director Administration - Archdiocese of Melbourne  
Appointee of the Archbishop of Melbourne  
Appointed 25/02/2008

**Mr Dino Rebellato**

BSc(Ed)  
Appointee of the Australian Government  
Appointed 29/09/2011

**Sr Kath Tierney RSM AO**

BBus  
Appointee of the Catholic Religious Victoria  
Appointed: 13/06/2012

**Sr Nola Vanderfeen PBVM**

BA, Dip Ed, BTheol, M Past. Studies(Pastoral)  
Appointee of the Catholic Religious Victoria  
Appointed 24/05/2011

All Directors of the Company are non-executive directors.

**Company Objectives**

Catholic Capital Grants (Victoria) Limited is a public company (limited by guarantee) incorporated in Australia. The principal objective of the Company is to act as a representative authority of Catholic schools wishing to participate in federal and state government funding programs primarily associated with capital development. The Company operates to receive and allocate government funds in the form of grants to participant schools in accordance with the policies and procedures specified in legislation, program guidelines and other conditions prescribed by government for building and equipment projects.

**Company Strategy**

The Company has established a Primary Committee, a Secondary Committee and a Joint Committee to advise its Directors and make project recommendations about the allocation of available funds. The function of the Joint Committee is to ensure that the overall allocation of funds in a given year is made to Primary and Secondary schools whose clienteles are comparably educationally disadvantaged. The Company and its Committees are serviced by a secretariat of personnel provided by Catholic Education Melbourne of the Archdiocese of Melbourne to implement these government programs.

### Company Performance

The Company performance measures include feedback from schools, feedback from government, compliance with terms and conditions of funding agreements, completion of program accountability statements, timeliness of the assessment and recommendations of grant applications and monitoring of funded projects until completion, timeliness of grant distributions to schools and unqualified statutory audit reports.

### Principal Activities of the Company

The principal activities of the Company remained unchanged during the year under review. During the year, the Company administered the following programs:

#### (i) Australian Government Capital Grants Programme

The objectives of the Capital Grants Programme are to:

- a) provide and improve school capital infrastructure, particularly for the most educationally disadvantaged students and
- b) ensure attention to refurbishment and upgrading of capital infrastructure for existing students, while making provision for needs arising from new demographic and enrolment trends.

During 2016, a total allocation of \$23,657,821 (2015: \$23,205,315) was received under this program. In addition, following the closure of Larmenier Special School Recovered Funds of \$55,250 were received.

#### (ii) Victorian Government Capital Funding Program

As part of the 2014 Victorian State election, the Labor party made a commitment to provide \$120 million over four years towards supporting Catholic and Independent Schools under the government's policy framework "*Back to School - Skills for our future. Support for our kids*".

The Funding Framework Agreement that formalises the program administration processes associated with the Victorian Government Capital Funding Program (VGCFP) with the Company was executed on 23 November 2015. The agreement confirms that \$84 million is available to the Catholic sector including an administration fee up to a maximum of \$2.52 million over the life of the program. As part of the 2014 State Election, six Victorian Catholic School Projects have been funded under Year 1 of the VGCFP.

The Secretariat called for applications for Rounds 1 and 2 of the VGCFP in conjunction with the Capital Grants Programme in September 2015 with a closing date of 13 November 2015. Business cases for Round 1 of the VGCFP were submitted to the Victorian Department of Education and Training on 29 April 2016 and Business cases for Round 2 were submitted on 28 September 2016. The Minister of Education approved 11 projects under Round 1 of the VGCFP totaling \$17.1 million on 28 July 2016 and 24 projects under Round 2 of the VGCFP on 9 December 2016 totaling \$24.19 million.

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**Catholic Capital Grants (Victoria) Limited**

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**Directors' Report**

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The Secretariat called for applications for Round 3 of the VGCFP in conjunction with the Capital Grants Programme in late October 2016 with a closing date in early December 2016.

Under the VGCFP, school project funds from the Department to Catholic Capital Grants (Victoria) Limited will only be released on "receipt of documents demonstrating to the satisfaction of the Department" that the specified Payment Milestone has been achieved.

The tying of the release of program funds and the administration fee from the Victorian Department of Education and Training to Catholic Capital Grants (Victoria) Limited to specified project milestones places significant pressure on the Sector to monitor the delivery of funded projects to ensure the timely release of project funds to schools.

During 2016, a total allocation of \$3,474,505 (2015: Nil) was received under this program.

**(iii) Trade Skills Centres in Schools Program**

Under this program, funding is provided for the establishment of the Trade Skills Centres in Schools Program. This is to provide facilities to improve the quality of industry recognised vocational education and training, assist in the delivery of high quality trade training in schools, meeting skills needs and increasing the proportion of students achieving Year 12 or equivalent qualification. During 2016, grants totalling \$Nil (2015: \$1,796,503) were received under this program.

The funding for this program ended in 2015 and all facilities were operational by the end of 2016.

In relation to this grant amounts totalling \$1,212,060 (2015: \$2,576,293) are currently committed for distribution to eligible schools. These funds, whilst currently committed, will be paid relating to the next 10 years in accordance with Program guidelines and variation agreements.

In 2016, there was a decision made that \$437,817 of the Interest Distributions Payable for the Trade Skills Centre Program would be used for central administration and audit fees borne by the Company in relation to the 10 year period in accordance with Program guidelines and variation agreements.

In 2017, there is expected to be a Deficit in relation to central administration and audit fees incurred for the Trade Skills Centre Program.

Based on the above, the Company will have the obligation to report on the operations of these facilities through to 2026.

**Future developments**

The Company received advice in May 2016 from the Australian Government Department of Education and Training confirming the Initial Allocations of capital funding for the years 2017 to 2019. Future funding of the activities of the company will be dependent on these Government policy funding decisions.

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Catholic Capital Grants (Victoria) Limited

A.C.N. 006 942 829

Directors' Report

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**Directors' Meetings**

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year 3 board meetings were held.

	Eligible to Attend	Attended
Rev Mgr G Bennet (Chairperson)	3	3
Mr S Elder (Secretary)	3	3
Ms A Brown	3	3
Mr P Desmond	3	2
Sr J Drobik	3	1
Mr P Herrick	3	2
Rev Mgr A Ireland	3	2
Ms M Kirkwood	3	2
Mr F Moore	3	2
Mr D Rebellato	3	1
Sr K Tierney	3	3
Sr N Vanderfeen	3	3

**Member's Guarantee**

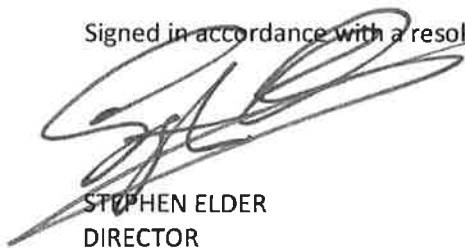
The Company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company.

At 31 December 2016, the number of members was 25 (2015:25). The total amount that members of the company are liable to contribute if the company is wound up is \$500.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 December 2016 has been received and can be found on page 8 of the financial statements.

Signed in accordance with a resolution of the directors.



STEPHEN ELDER  
DIRECTOR

Dated at East Melbourne this 12 day of May 2017

The Board of Directors  
Catholic Capital Grants (Victoria) Limited  
James Goold House  
228 Victoria Parade  
EAST MELBOURNE VIC 3002

12 May 2017

Dear Board Members

### **Catholic Capital Grants (Victoria) Limited**

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Catholic Capital Grants (Victoria) Limited.

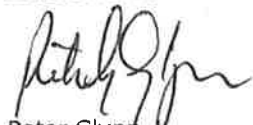
As lead audit partner for the audit of the financial statements of Catholic Capital Grants (Victoria) Limited for the financial year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Peter Glynn  
Partner  
Chartered Accountants



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**Catholic Capital Grants (Victoria) Limited**

**A.C.N. 006 942 829**

**Directors' Declaration**

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The directors' declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

On behalf of the Directors



STEPHEN ELDER  
DIRECTOR

Dated at East Melbourne this 12 day of May 2017

**Catholic Capital Grants (Victoria) Limited**  
**A.C.N. 006 942 829**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For Year Ended 31 December 2016**

	NOTE	2016 \$	2015 \$
<b>Continuing Operations</b>			
Revenue	2	27,553,709	25,513,700
Grant distributions committed to schools during current year	3(a)	(25,641,359)	(24,712,519)
Administration expenses	3(b)	(1,474,533)	(801,181)
Net surplus for the year		437,817	-
Other comprehensive income		-	-
Total comprehensive income		437,817	-

The above statement should be read in conjunction with the notes to the financial statements on pages 14 to 23.

**Catholic Capital Grants (Victoria) Limited**  
**A.C.N. 006 942 829**  
**Statement of Financial Position as at 31 December 2016**

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	18,669,656	17,181,882
Interest receivable	5	30,641	34,441
Grant receivable	5	581,950	-
Other receivable	5	590,505	-
<b>TOTAL CURRENT ASSETS</b>		<u>19,872,752</u>	<u>17,216,323</u>
<b>TOTAL ASSETS</b>		<u>19,872,752</u>	<u>17,216,323</u>
<b>CURRENT LIABILITIES</b>			
Distributions payable	6	18,571,957	16,992,487
Other payable	7	862,978	223,836
<b>TOTAL CURRENT LIABILITIES</b>		<u>19,434,935</u>	<u>17,216,323</u>
<b>TOTAL LIABILITIES</b>		<u>19,434,935</u>	<u>17,216,323</u>
<b>NET ASSETS</b>		<u>437,817</u>	<u>-</u>
<b>EQUITY</b>			
Accumulated funds		437,817	-
<b>TOTAL EQUITY</b>		<u>437,817</u>	<u>-</u>

The above statement should be read in conjunction with the notes to the financial statements on pages 14 to 23.

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**Catholic Capital Grants (Victoria) Limited**  
**A.C.N. 006 942 829**  
**Statement of Changes in Equity For Year Ended 31 December 2016**

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	NOTE	2016 \$	2015 \$
<b>Accumulated Funds</b>			
Balance at the beginning of the year		-	-
Net income recognised directly in equity		-	-
Net surplus for the year		437,817	-
<b>Total recognised income and expense</b>		-	-
Balance at the end of the year		<u>437,817</u>	<u>-</u>

The above statement should be read in conjunction with the notes to the financial statements on pages 14 to 23.

**Catholic Capital Grants (Victoria) Limited**  
**A.C.N. 006 942 829**  
**Statement of Cash Flows For Year Ended 31 December 2016**

	NOTE	2016 \$	2015 \$
<b>Cash Flows From Operating Activities</b>			
Government grants received		28,611,108	27,488,484
Interest received		369,933	551,456
Distribution of government grants		(24,061,888)	(27,784,232)
Payments to suppliers		(887,103)	(816,290)
GST Payments		(2,544,276)	(2,315,052)
Net cash (used by) / generated from operating activities	9(b)	1,487,774	(2,875,634)
Net (decrease) / increase in cash held		1,487,774	(2,875,634)
Cash at the beginning of the year		17,181,882	20,057,516
Cash at the end of the year	9(a)	18,669,656	17,181,882

The above statement should be read in conjunction with the notes to the financial statements on pages 14 to 23.

**Note 1 Significant Accounting Policies**

**Statement of Compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, Accounting Standards and Interpretations, and comply with other requirements of the law. For the purposes of preparing the financial statements, the Company is a not-for-profit entity. Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS") as relevant for not-for-profit entities.

**Basis of preparation**

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

**(a) Cash and Cash Equivalents**

Cash and cash equivalents include cash at bank, which is held in an interest bearing cheque account or short term bank deposits.

**(b) Financial assets**

Receivables are recorded at amortised cost using the effective interest method, less impairment. The effective interest method is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

**(c) Financial liabilities**

Payables and accrued expenses (including distributions payable) are classified as 'other financial liabilities' and are measured initially at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability of where appropriate, a shorter period.

**(d) Income taxes**

The Company is exempt from paying income taxes.

**(e) Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

Grants received from the Victorian or Australian government, or other government bodies, are recognised as revenue when the Company gains control of the underlying assets.

**Note 1 Significant Accounting Policies (continued)**

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**(f) Goods and Services Tax (GST)**

Catholic Capital Grants (Victoria) Limited is subject to the taxation arrangements, introduced on 1 July 2000.

Grant payments are subject to GST under the Tax Ruling on Grants of Financial Assistance issued by the Australian Taxation Office. Therefore the grant receipts include an additional 10% being the GST component of the grant.

No GST is payable on grant payments to Schools under the "Religious Grouping" amendment except for the Trade Training Centres Program. Under this program, grant payments to Schools include an amount for GST in accordance with the specific requirements of the Trade Training Centres Program.

**(g) Critical accounting estimates and judgements**

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(h) Adoption of new and revised Accounting Standards**

**New and revised AASBs affecting amounts reported and/or disclosures in the financial statements**

In the current year, the Company has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016, and therefore relevant for the current year end.

**Note 1 Significant Accounting Policies (continued)****Standards affecting presentation and disclosure**

AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101') Amends AASB 101 Presentation of Financial Statements to provide clarification regarding the disclosure requirements in AASB 101, including narrow-focus amendments to address concerns about existing presentation and disclosure requirements and to ensure entities are able to use judgements when applying a Standard in determining what information to disclose in their financial statements.

The amendments provide additional guidance in the following areas:

- **Materiality.** The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information (2) materiality considerations apply to the all parts of the financial statements and (3) even when a standard requires a specific disclosure, materiality considerations still apply, i.e. a specific disclosure is not required to be included in the financial report if it is not material to the entity
- **Statement of financial position and statement of profit or loss and other comprehensive income.** The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of other comprehensive income (OCI) of equity-accounted associates
- **Notes.** The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes rather than being presented in the order previously included in AASB 101.

The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements

**Standards and Interpretations in issue not yet adopted**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 December 2018
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15' and AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	31 December 2018



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**Catholic Capital Grants (Victoria) Limited****A.C.N. 006 942 829****Notes to the Financial Statements For Year Ended 31 December 2016**

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<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
AASB 16 Leases	1 January 2019	31 December 2019
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 January 2017	31 December 2017
AASB 1058 Income of Not-for-Profit Entities	1 January 2019	31 December 2019

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	1 January 2018	31 December 2018

The potential effect of the revised Standards/Interpretations on the company's financial statements has not yet been determined.

**Catholic Capital Grants (Victoria) Limited**

**A.C.N. 006 942 829**

**Notes to the Financial Statements For Year Ended 31 December 2016**

	2016	2015
	\$	\$
<b>Note 2</b>		
<b>Revenue</b>		
<b>Operating activities</b>		
Grants from governments	27,187,576	25,001,818
Interest revenue	366,133	511,882
	27,553,709	25,513,700
<b>Note 3</b>		
<b>Surplus for the Year</b>		
Surplus from continuing activities has been determined after:		
Expenses:-		
<b>(a) Grant distributions to schools</b>		
Grant distributions committed to schools	25,589,719	23,895,919
Interest distributions committed to schools	51,640	816,600
	25,641,359	24,712,519
<b>(b) Expenses by nature</b>		
Service Level Agreement		
Catholic Education Melbourne	1,121,838	672,407
Bank charges	480	1,011
Consultancy fee	119,500	78,000
Auditors remuneration	23,250	19,690
Legal fees	32,194	5,779
Insurance premiums	19,171	19,882
Database expenses	153,535	-
Other	4,565	4,412
	1,474,533	801,181
<b>(c) Auditors Remuneration</b>		
The auditor of the Company is Deloitte Touche Tohmatsu		
Audit of the Financial Statements	23,250	19,690
	23,250	19,690

**Catholic Capital Grants (Victoria) Limited**

**A.C.N. 006 942 829**

**Notes to the Financial Statements For Year Ended 31 December 2016**

	2016	2015
	\$	\$
<b>Note 4</b>		
<b>Cash and Cash Equivalents</b>		
Cash at bank	4,153,461	2,527,224
Term deposits	14,516,195	14,654,658
	18,669,656	17,181,882
<b>Note 5</b>		
<b>Receivables</b>		
Interest receivable	30,641	34,441
Grant receivable	581,950	-
Other receivable	590,505	-
	1,203,096	34,441
<b>Note 6</b>		
<b>Distributions Payable</b>		
Grant distributions payable		
Capital Grants Programme (CGP)	13,990,390	13,466,940
CGP – Recovered Funds from school closure	55,250	-
Victorian Government Capital Funding Program	2,094,264	-
Trade Skills Centres Program (i)	102,630	982,253
	16,242,534	14,449,193
Interest distributions payable		
Capital Grants Programme	1,213,499	949,254
Victorian Government Capital Funding Program	6,494	-
Trade Skills Centres Program (i)	1,109,430	1,594,040
	2,329,423	2,543,294
Total distributions payable	18,571,957	16,992,487
(i) These amounts are currently committed for distribution to eligible schools. These funds, whilst currently committed, will be paid relating to the next 10 years in accordance with Program guidelines and variation agreements.		
<b>Note 7</b>		
<b>Other Payables</b>		
GST payable	244,893	209,862
Other payables and accruals	618,085	13,974
	862,978	223,836
<b>Note 8</b>		
<b>Commitments and Contingencies</b>		

The Company has no expenditure commitments or contingent liabilities or contingent assets at the end of the reporting period.

**Catholic Capital Grants (Victoria) Limited**  
**A.C.N. 006 942 829**  
**Notes to the Financial Statements For Year Ended 31 December 2016**

<b>Note 9</b>	<b>Statement of Cash Flows</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>(a) Reconciliation of cash and cash equivalents</b>			
	For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
		<u>18,669,656</u>	<u>17,181,882</u>
<b>(b) Reconciliation of the (deficit)/surplus for the year to net cash flows from operating activities:</b>			
	Surplus for the year	437,817	-
	Changes in assets and liabilities:		
	(Increase)/decrease in receivables	(1,168,655)	205,706
	Increase/(decrease) in distributions payable to schools	1,579,471	(3,071,714)
	Increase/(decrease) in related party payable	-	-
	Increase/(decrease) in GST payable	35,031	(5,731)
	Increase/(decrease) in other payables and accruals	604,110	(3,895)
	Net cash (used in)/from operating activities	<u>1,487,774</u>	<u>(2,875,634)</u>
<b>(c) Financing facilities</b>			
	The Company has not organised for any financing facilities to be available to the Company.		
<b>Note 10</b>	<b>Financial Instruments</b>		
	<b>Financial assets</b>		
	Cash and cash equivalents	18,669,656	17,181,882
	Receivables	1,203,096	34,441
		<u>19,872,752</u>	<u>17,216,323</u>
	<b>Financial liabilities</b>		
	Payables	19,434,935	17,216,323
		<u>19,434,935</u>	<u>17,216,323</u>

**Catholic Capital Grants (Victoria) Limited**

**A.C.N. 006 942 829**

**Notes to the Financial Statements For Year Ended 31 December 2016**

Note 10	Financial Instruments (continued)	2016	2015
		\$	\$

**(a) Capital and financial risk management objectives, processes and policies.**

As a company limited by guarantee, the Company does not have any true 'capital' to manage. The Company does not have any borrowings. The principal activity of the Company is the receipt of grant monies which are allocated and distributed to schools. Capital growth is not an objective of the Company as it is a not-for-profit entity and grant monies do not remain in the control of the Company for any extended period of time. Security of the funds received is important to the Company, as these monies must be distributed to schools. Accordingly, grant monies are generally held by the Company in the form of cash and cash equivalents with the Company's banker. Grant monies received by the Company are disclosed separately in the income statement.

**(b) Fair values of financial instruments**

Other than cash and cash equivalents, the Company's financial assets and financial liabilities consist of receivables and payables. The directors consider that the carrying amounts of these financial assets and financial liabilities, which are recorded at amortised cost in the financial statements, approximate their fair values.

**(c) Interest rate risk**

As the majority of its financial instruments are in the form of cash and cash equivalents, the Company is exposed mainly to interest rate risk as monies are held in a bank account returning a variable rate of interest. Other than its cash and cash equivalents, no financial assets or financial liabilities are interest-bearing.

**Financial assets**

Cash and cash equivalents	18,669,656	17,181,882
---------------------------	------------	------------

**Sensitivity analysis**

The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance date. If interest rates had moved, with other variables held constant, the amount of interest available for distribution to schools would have increased/(decreased) as follows:

+0.5% (50 basis points)	85,936	85,773
- 0.5% (50 basis points)	(85,301)	(85,773)

The directors do not believe that the sensitivity analysis above is representative of the interest rate risk inherent in the cash and cash equivalents balance. Since monies are not held for any significant period of time, the Company's cash balances can fluctuate significantly during the period.

**(d) Liquidity risk**

The Company does not have any significant exposure to liquidity risk. Its principal activity is the receipt and re-distribution of grant monies and it is not permitted to distribute funds that it has not received. The Company is entitled to utilise a percentage of grant monies received for its operating expenses.

**Catholic Capital Grants (Victoria) Limited**

**A.C.N. 006 942 829**

**Notes to the Financial Statements For Year Ended 31 December 2016**

**Note 10 Financial Instruments (continued)**

**Year Ended 31 December 2016**

	Less than 1 year	1 – 5 years	Total	Weighted Average %
<b>Financial assets</b>				
Cash and cash equivalents	18,669,656	-	18,669,656	2.50%
Receivables	1,203,096	-	1,203,096	-
	<u>19,872,752</u>	<u>-</u>	<u>19,872,752</u>	
<b>Financial liabilities</b>				
Payables	19,434,935	-	19,434,935	-
	<u>19,434,935</u>	<u>-</u>	<u>19,434,935</u>	

**Year Ended 31 December 2015**

	Less than 1 year	1 – 5 years	Total	Weighted Average %
<b>Financial assets</b>				
Cash and cash equivalents	17,181,882	-	17,181,882	2.57%
Receivables	34,441	-	34,441	-
	<u>17,216,323</u>	<u>-</u>	<u>17,216,323</u>	
<b>Financial liabilities</b>				
Payables	17,216,323	-	17,216,323	-
	<u>17,216,323</u>	<u>-</u>	<u>17,216,323</u>	

**(e) Credit risk**

The Company does not have a significant credit risk exposure. The Company amounts receivable are due from government departments and cash and cash equivalents are only deposited with major Australian banks.

**(f) Market risk**

The Company holds basic financial instruments that do not expose it to market risks.

**Note 11 Economic dependency**

The Company depends on Australian Government funding in the form of grants for capital development in schools for its continuing operation. Grants are only committed to schools when the funding has been approved by the Government.

**Note 12      Related party disclosures**

**(a) Key management personnel compensation**

Catholic Education Melbourne provided the key management personnel to operate the Company and all such compensation was recorded in the financial statements of Catholic Education Melbourne.

**(b) Related party transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**Transactions and balances with Catholic Education Melbourne**

Catholic Education Melbourne charges an administrative allowance for the administrative and accounting resources to operate the Company. The amount charged for 2016 was \$1,121,838 (2015: \$672,407). The company owes Catholic Education Melbourne \$595,034 being for the administrative and accounting resources for the Victorian Government Capital Funding Program and database expenses and this amount is included in Other Payables and Accruals in Note 7. These costs will be funded from the Administration Fee of \$2.52 million from the Victorian Government Capital Funding Program.

**Note 13      Subsequent Events**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**Note 14      Company Information**

**The registered office and principal place of business is:**

Catholic Capital Grants (Victoria) Limited  
James Goold House  
228 Victoria Parade  
EAST MELBOURNE VIC 3002

## Independent Auditor's Report to the Members of Catholic Capital Grants (Victoria) Limited

### Opinion

We have audited the financial report of Catholic Capital Grants (Victoria) Limited (the "Company"), which comprises the statement of financial position as at 31 December 2016, 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, and notes to the financial statements, including summary of significant accounting policies, and the declaration by the Directors as set out on pages 9 to 23.

In our opinion, the accompanying financial report of Catholic Capital Grants (Victoria) Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Other Information

The Directors are responsible for the other information. The other information comprises the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.



## **The Director's Responsibilities for the Financial Report**

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial report and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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.

# Deloitte

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.

  
DELOITTE TOUCHE TOHMATSU



Peter Glynn  
Partner  
Chartered Accountants  
Melbourne, 12 May 2017