



CARE Australia

Annual Financial Report

For the year ended 30 June 2025



Annual Financial Report

For the year ended 30 June 2025

Corporate details

Current Directors as of 20 November 2025	Dr Phoebe Wynn-Pope (Chair) Joseph Tesvic (Treasurer) Peter Varghese AO Diana Nicholson Joanne Thomson Michael Stutchbury Kaajri Vaughan
Chief Executive Officer	Morgana Ryan
Company Secretary	Hayley Allen
Registered office and principal place of business	Level 4, 53 Queen Street, Melbourne, VIC 3000 Australia
ABN	46 003 380 890
Contact details Postal Address: Website: Telephone: Email:	Locked Bag 1237, North Melbourne, VIC 3051, Australia www.care.org.au 1800 020 046 info@care.org.au
Bankers	Westpac Banking Corporation
Auditors	Ernst & Young

Table of contents

Directors' report	3
Auditor's independence declaration to the Directors	7
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Basis of preparation	12
How the numbers are calculated	15
Directors' declaration	27
Auditor's opinion	28

Directors' report

The Directors of CARE Australia submit their report for the year ended 30 June 2025.

Standing Board and Committee meetings attendance

Effective 1 January 2025, the four former committees – Fundraising and Marketing, People, International Programs and Operations, and Finance, Risk and Audit Committees – were consolidated into three: Revenue Strategy, People and Impact, and Finance, Risk and Audit Committees. The table below shows each Director's attendance at Board and Committee meetings during the year:

2024/25 Meetings	Date commenced current term	Board meetings		Meetings of Committees					
				Revenue Strategy		People and Impact		Finance, Risk and Audit	
No. of meetings		6		2		2		4	
		A	B	A	B	A	B	A	B
Dr Phoebe Wynn-Pope (Chair)	26 October 2018	6	4	1	1	2	2	1	1
Marcus Laithwaite (retired March 2025)	21 July 2017	4	4	1	1	1	1	3	3
Joseph Tesvic (Treasurer)	6 September 2016	6	5	2	2	0	0	4	4
Peter Varghese AO	26 July 2019	6	6	2	2	2	2	0	0
Joanne Thomson	20 May 2021	6	5	2	2	2	2	4	4
Diana Nicholson	26 July 2019	6	6	0	0	2	2	4	4
Natalie Kyriacou OAM	29 January 2025	3	2	2	2	2	2	0	0
Michael Stutchbury	29 January 2025	3	2	2	2	0	0	2	1
Kaajri Vaughan	29 January 2025	3	3	0	0	2	2	2	2

Note: Column A shows the number of meetings the Director was eligible to attend during the year, while Column B shows the number of meetings attended

Committee members and observers, who were not Directors, also served on Board Committees during the year as set out below:

- Finance, Risk and Audit Committee: Hong Pham
- People and Impact Committee: Hong Pham
- Revenue Strategy Committee: Meenal Khare
- Board Observer: Methmie Herath

The table below shows each Director's attendance across the three former Board Committees for the period up to December 2024:

2024/25 Meetings	Date commenced current term	Meetings of Committees					
		Fundraising and Marketing		People		International Programs and Operations	
No. of meetings		2		2		2	
		A	B	A	B	A	B
Dr Phoebe Wynn-Pope (Chair)	26 October 2018	0	0	0	0	2	2
Marcus Laithwaite (retired March 2025)	21 July 2017	2	2	2	2	0	0
Joseph Tesvic (Treasurer)	6 September 2016	2	2	0	0	0	1
Peter Varghese AO	26 July 2019	0	0	0	0	2	2
Joanne Thomson	20 May 2021	0	0	0	0	2	1
Diana Nicholson	26 July 2019	0	0	2	2	0	1

Committee members and observers, who were not Directors, also served on Board Committees during the year up to December 2024 as set out below:

- Finance, Risk and Audit Committee: Hong Pham
- Fundraising and Marketing Committee: Natalie Kyriacou OAM
- Board Observer: Meenal Khare

Board Directors during 2025

Name	Experience and Qualifications	Special Responsibilities
Dr Phoebe Wynn-Pope	Head of Responsible Business and ESG, Head of Business and Human Rights and Head of Pro Bono at Corrs Chambers Westgarth. Chair, University of New South Wales Australian Human Rights Institute Advisory Committee. Director, Business and Human Rights Lawyers Association. Ambassador for the Community Refugee Sponsorship Australia. <u>Formerly</u> Founding Director, Humanitarian Advisory Group. Director, International Humanitarian Law and Movement Relations at Australian Red Cross.	Chair of the Board and Company representative on CARE International Assembly (from March 2025)
Marcus Laithwaite	Partner and Deputy Chair, PwC Australia. <u>Formerly</u> Chair, CARE International's Governance and Nominations Committee. Chair, ChildFund Australia. Treasurer, European Australian Business Council. Chair of the Finance & Audit Committee of Sydney Living Museums.	Chair of the Board and Company representative on CARE International Assembly (to February 2025) Retired from the Board 20 March 2025
Joseph Tesvic	Senior Partner, McKinsey & Company. Leader of McKinsey's Consumer Practice and Chief Financial Officer of McKinsey Australia and New Zealand.	Treasurer since March 2020 Chair of Finance, Risk and Audit Committee
Diana Nicholson	Senior Partner, King & Wood Mallesons. KWM Financial Services Sector Leader. Member and Acting President, Takeovers Panel. Trustee, Melbourne and Olympic Parks. Chair of Melbourne Girls Grammar School Council. <u>Formerly</u> Board Member KWM. Board Member KWM in the Community.	Deputy Chair, People and Impact Committee
Peter Varghese AO	Chancellor of The University of Queensland. Director, Varghese Consulting Pty Ltd. Director, North Queensland Airports. Chair, Asialink Advisory Council. Chair, Editorial Advisory Board, DFAT Historical Documents Series. Member, International Governing Board of the Rajaratnam School of International Studies in Singapore. Counsellor, Dragoman Global. <u>Formerly</u> Secretary, Department of Foreign Affairs and Trade. High Commissioner to India. High Commissioner to Malaysia. Director-General, Office of National Assessments. Senior Advisor (International) to the Prime Minister of Australia.	Chair, People and Impact Committee

Name	Experience and Qualifications	Special Responsibilities
Joanne Thomson	Co-Founder and Lead Advisor with Learning4Development Pty Ltd. Master of International Public Health and Graduate Diploma in International Social Development. Independent Review Panel, GAVI. <u>Formerly</u> Board Director and Vice Chair, ChildFund Australia. Board Director, Accountable Now (Berlin).	Chair, Revenue Strategy Committee
Michael Stutchbury	Executive Director, Centre for International Studies. <u>Formerly</u> Editor-at-Large, The Australian Financial Review.	Deputy Chair, Revenue Strategy Committee
Kaajri Vaughan	Partner, PwC Australia. <u>Formerly</u> Board member of Soap Aid.	Deputy Chair, Finance Risk and Audit Committee
Natalie Kyriacou OAM	Director (Climate and Nature), Pollination Group. CEO, My Green World.	

Objectives

The objects of CARE Australia as set out in the Constitution are:

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

In line with its constitutional objectives, CARE Australia focuses its development and humanitarian programs globally, partnering with communities, organisations and governments to support women and girls to access livelihoods, resources, and leadership opportunities.

Principal activities

CARE Australia's principal activities during the year were the management of humanitarian, development and emergency aid programs, and the promotion of improved living standards and education among disadvantaged communities. These activities remained consistent with the prior year.

Operating results for the year

CARE Australia remained financially stable while delivering life-changing programs directly across 24 countries and supporting work in over 100 countries through the CARE Confederation.

The consolidated financial results of CARE Australia for the year ended 30 June 2025 were:

	2025 \$'000	2024 \$'000
Revenue and other income	\$46,313	\$51,235
Expenditure	\$44,957	\$56,429
Operating surplus / (deficit)	\$ 1,356	(\$ 5,194)

CARE Australia continued to implement financial sustainability measures and align resources with strategic priorities to deliver a surplus of \$1.356m. This positive result demonstrates financial resilience and a commitment to long-term sustainability, achieved through careful cost management, strengthened program delivery models, and improved reserve levels. CARE Australia remains well positioned to continue delivering on its mission to save lives, defeat poverty, and achieve lasting change for women and communities around the world.

Employees

As of 30 June 2025, CARE Australia employed 58 staff (2024: 67 staff) on Australian and Expat contracts and 376 staff (2024: 424 staff) on contracts entered in other countries including Papua New Guinea, Timor-Leste and Vanuatu.

Matters subsequent to the end of the financial year

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect:

- the operations of CARE Australia;
- the results of those operations; or
- the state of affairs of CARE Australia.

Indemnification and insurance of Directors and Officers

During the year, CARE Australia maintained Directors' and Officers' liability insurance, as permitted under the Corporations Act 2001.

Indemnification of auditors

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

Signed in accordance with a resolution of the Directors on 20 November 2025



Dr Phoebe Wynn-Pope
Chair



Joseph Tesvic
Treasurer

Auditor's independence declaration to the directors of CARE Australia

In relation to our audit of the financial report of CARE Australia for the financial year ended 30 June 2025, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

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



Ernst & Young



Irene Tzavaras
Partner
Canberra
20 November 2025

Statement of profit and loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
REVENUE			
Donations monetary	3	7,315	7,511
Donations non-monetary	3	502	418
Bequests and legacies	3	1,076	1,207
Total revenue from donations and bequests		8,893	9,136
Department of Foreign Affairs and Trade	3	5,244	5,797
Other Australian grants and contracts	3	13,971	13,775
Overseas grants and contracts	3	16,617	20,814
Total revenue from contracts with customers (grants and contracts)		35,832	40,386
Investment income	3	1,101	1,144
Other income	3	487	569
Total revenue and income		46,313	51,235
EXPENDITURE			
International programs			
Funds to international programs		35,253	41,384
Program support costs		3,143	4,057
Community education		917	1,158
Fundraising costs			
Public		2,596	2,855
Government, multilateral and private		782	779
Accountability and administration		1,760	5,356
Non-monetary expenditure – Australian based		502	418
Total expenditure		44,953	56,007
NET SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS		1,360	(4,772)
COMPREHENSIVE INCOME/(EXPENDITURE)			
(Deficit) for the year from discontinued operations		(4)	(422)
Total comprehensive (expenditure) for the year		(4)	(422)
NET SURPLUS/(DEFICIT) AFTER COMPREHENSIVE INCOME/(EXPENDITURE)		1,356	(5,194)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position

As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
CURRENT ASSETS			
Cash and cash equivalents	6a	13,165	9,128
Term deposits		2,435	1,950
Prepayments		382	435
Project advances		3,150	5,044
Trade and other receivables	6b	1,818	3,140
Assets held for sale (discontinued operations)	5	-	193
TOTAL CURRENT ASSETS		20,950	19,890
NON-CURRENT FINANCIAL ASSETS			
Other non-current financial assets		109	109
Property, plant & equipment	7a	552	728
Right of use asset	7d	217	453
Investments		12,215	11,291
TOTAL NON-CURRENT ASSETS		13,093	12,581
TOTAL ASSETS		34,043	32,471
CURRENT LIABILITIES			
Trade and other payables	6c	2,698	3,642
Provisions	7b	3,136	3,185
Lease liabilities	7d	172	328
Unexpended project funds	7c	16,123	13,690
Liabilities directly associated with the assets held for sale	5	261	1,244
TOTAL CURRENT LIABILITIES		22,390	22,089
NON-CURRENT LIABILITIES			
Provisions	7b	143	142
Lease liabilities	7d	51	137
TOTAL NON-CURRENT LIABILITIES		194	279
TOTAL LIABILITIES		22,584	22,368
NET ASSETS		11,459	10,103
EQUITY			
General reserves		10,301	9,133
Specific purpose reserve		1,158	970
TOTAL EQUITY		11,459	10,103

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 30 June 2025

	General Reserves	Specific purpose reserve	Total
	\$'000	\$'000	\$'000
For the year ended 30 June 2024			
Balance at 30 June 2023	14,109	1,188	15,297
Net operating deficit for the year	(4,976)	(218)	(5,194)
Other comprehensive income for the year	-	-	-
Amounts transferred (to)/from reserves	-	-	-
Balance at 30 June 2024	9,133	970	10,103
For the year ended 30 June 2025			
Balance at 30 June 2024	9,133	970	10,103
Net operating surplus for the year	1,168	188	1,356
Other comprehensive income for the year	-	-	-
Amounts transferred (to)/from reserves	-	-	-
Balance at 30 June 2025	10,301	1,158	11,459

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2025

	2025 \$'000	2024 \$'000
Cash flows from operating activities		
General public donations	8,391	8,719
Grants and contract income (inclusive of GST)	38,916	33,646
Interest income	730	880
Other income	487	339
Payments to projects, suppliers and employees (inclusive of GST)	(42,871)	(57,883)
Net cash flows (used in)/from operating activities	5,653	(14,299)
Cash flow from investing activities		
Acquisition of property, plant and equipment	(58)	(298)
Proceeds from sale of equipment	1	1
Acquisition of investments	(5,428)	(5,424)
Redemption of investments	4,824	6,006
Net cash flows (used in)/from investing activities	(661)	285
Cashflow from financing activities		
Repayment of finance lease principal	(482)	(440)
Net cash flows (used in)/from financing activities	(482)	(440)
Net increase in cash held	4,510	(14,454)
Net foreign exchange differences	(473)	2,179
Cash at the beginning of the year	9,128	21,403
Cash at the end of the year from continuing operations	13,165	9,128

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements - 30 June 2025

Basis of preparation

Note 1. Corporate information

The financial report for the year ended 30 June 2025 was approved by the Board of Directors on 20 November 2025.

These financial statements are prepared on a consolidated basis and include CARE Australia and its controlled entities in Timor-Leste, Papua New Guinea and Vanuatu.

Throughout the year, CARE Australia focused on managing humanitarian and development programs that help improve living standards, health and expand access to education for people living in poverty. The nature of our work remained consistent, continuing our commitment to creating lasting change in the communities we serve.

CARE Australia is incorporated in Australia as a company limited by guarantee. It is a registered charity with the Australian Charities and Not-for-Profits Commission (ACNC), holds deductible gift recipient (DGR) status, and is exempt from income tax.

Liability of members

As at 30 June 2025 there were eight (2024: six) full members guaranteeing to contribute up to \$100 each in the event of CARE Australia being wound up.

Note 2. Basis of preparation and significant accounting policies

Note 2a. Basis of preparation

This financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards, relevant pronouncements of the Australian Accounting Standards Board, and the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and Regulation 2013. The statements have been prepared under the Simplified Disclosure Standard (AASB 1060 – General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities).

The report is based on historical cost, except for investments that are measured at fair value through profit or loss. It has been prepared on the understanding that CARE Australia operates as a not-for-profit organisation.

All amounts are presented in Australian Dollars (\$), which is the functional and presentation currency of CARE Australia, and are rounded to the nearest thousand dollars (\$000) except where indicated otherwise.

The financial report has also been prepared in accordance with the Australian Council for International Development (ACFID) Code of Conduct, reflecting our commitment to transparency and accountability in all aspects of our work. For more information about the Code of Conduct, refer to <https://acfid.asn.au/content/read-code>.

The financial statements have been prepared on a going concern basis, meaning they assume CARE Australia will continue its operations into the foreseeable future.

In making this assessment, the Directors have carefully considered CARE Australia's financial position, cash flow, and future plans, including any potential risks or uncertainties that could affect its operations.

Based on this review, the Directors are confident that CARE Australia has sufficient resources to continue its work for at least the next 12 months from the date these financial statements were approved. As a result, no adjustments have been made to reflect any situation in which CARE Australia might be unable to continue operating.

Notes to the financial statements cont'd

Note 2b. Significant accounting policies

Translation of foreign currency transactions and balances

Funds transferred in foreign currencies are converted to Australian dollars at the exchange rate in effect on the date of each transaction. Other foreign currency transactions are translated using the average exchange rate for the month in which they occur.

At the end of each month, the assets and liabilities of our overseas operations are translated into Australian dollars using the exchange rate on the last day of the month, while income and expenses are translated using the average monthly exchange rate.

Foreign currency balances shown in the Statement of Financial Position are translated at the exchange rate applicable on 30 June, with any exchange differences recorded in the Statement of Profit or Loss.

Taxes

Income tax

CARE Australia is exempt from income tax pursuant to Subdivision 50B of the Income Tax Assessment Act 1997 in Australia and accordingly, is an income tax exempt charitable entity.

Goods and Services Tax

Revenues, expenses, and assets are reported net of GST, except in the following cases:

- When GST on purchases of goods or services cannot be recovered, it is included in the cost of the asset or recorded as part of the related expense.
- Receivables and payables are shown with the GST amount included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is recorded in the Statement of Financial Position as part of receivables or payables.

Cash flows are reported in the Statement of Cash Flows on a gross basis. The GST component of cash flows relating to investing and financing activities—where it can be recovered from or paid to the Australian Taxation Office—is classified as part of operating cash flows.

Any commitments and contingencies are disclosed net of GST, meaning they reflect the actual amounts payable or receivable after accounting for any GST recoverable from or payable to the taxation authority.

Significant accounting judgements, estimates and assumptions

The preparation of these financial statements requires management to make certain judgements, estimates, and assumptions that influence the amounts reported for assets, liabilities, income, and expenses. These estimates are based on historical experience and other factors considered reasonable under the circumstances.

Management regularly reviews these judgements and estimates to ensure they remain appropriate. While actual results may differ from these estimates due to changing conditions or circumstances, any such differences are not expected to have a material impact on CARE Australia's future financial position.

Notes to the financial statements cont'd

This note provides an overview of the key areas that involve a degree of judgement or complexity. Further details are provided in the relevant notes:

- Revenue recognition (Note 3)
- Assessment of useful lives of property, plant and equipment (Note 7a)
- Valuation and impairment of non-financial assets (Note 7a)
- Provision for employee benefits (Note 7b)

Notes to the financial statements cont'd

How the numbers are calculated

Note 3. Revenue from continuing operations

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

	2025 \$'000	2024 \$'000
Revenue		
Income to which AASB1058 applies		
Monetary	7,315	7,511
Non-monetary	502	418
Bequests and legacies	1,076	1,207
Total donations	8,893	9,136
Total other income	487	569
Income to which AASB15 applies		
Department of Foreign Affairs and Trade	5,244	5,797
Other Australian	13,971	13,775
Other overseas	16,617	20,814
Total revenue from contracts with customers (grants and contracts)	35,832	40,386
Income to which AASB9 applies		
Interest income	155	77
Dividends	574	804
Fair value gain/(loss) on investment	372	263
Total investment income	1,101	1,144
Total revenue and other income	46,313	51,235

Donations

Monetary donations are funds received from donors without specific restrictions on how or when they can be used. As these funds are available for immediate use in our programs and operations, they are recognised as revenue when received.

Non-monetary donations include goods and services provided to CARE Australia or directly to our beneficiaries. These are recognised as revenue at the time the goods or services are received, provided their fair market value can be reliably measured. An equivalent expense is recorded to reflect the use or distribution of these donated goods and services.

Bequests are gifts received from the estates of deceased individuals. As there are no conditions attached to these gifts, they are recognised as revenue when received, in accordance with AASB 1058 Income of Not-for-Profit Entities.

Revenue from contracts with customers (grants and contracts)

Restricted donations are funds provided by donors with specific instructions about how or where the money should be used.

Notes to the financial statements cont'd

When donations come with strict conditions—for example, where funds must be spent on a particular project and may need to be returned if not used as agreed—the income is initially recorded as a contract liability. These funds are then recognised as revenue when they are spent in line with the donor's requirements.

Donations that include general restrictions or broad donor intentions are recognised as revenue when received. Any unspent funds that remain subject to specific donor directions are held in a specific purpose reserve for use in future years.

Investment income

Interest is recognised on an accrual basis, meaning it is recorded when CARE Australia becomes entitled to receive the interest payment.

Dividend income is recognised as revenue when CARE Australia's right to receive the payment is established.

Gains and losses on investments measured at fair value through profit or loss are calculated as the difference between the investment's fair value at the time of sale (or at year-end) and its value at the previous reporting date. These include both realised gains and losses (from investments sold) and unrealised gains and losses (from changes in market value of investments still held).

Note 4. Expenses

Expenses in the Statement of Comprehensive Income are presented in line with the requirements of the Australian Council for International Development (ACFID) Code of Conduct. This ensures our reporting remains transparent and comparable across the sector. Further details about the Code and its financial definitions are available at <https://acfid.asn.au/content/financial-definitions>

The following expenses from continuing operations are either significant to CARE Australia's financial performance for the year or important for understanding other notes in these financial statements:

	2025 \$'000	2024 \$'000
Employee benefits expense	23,559	27,172
Depreciation expense	687	776

Note 5. Discontinued operations

On 1 June 2022, the Board approved a plan to transition management oversight of the Mekong River region country offices to CARE USA. This change was part of a broader strategic realignment to strengthen regional collaboration and program delivery.

Management oversight was transitioned in phases, with Cambodia and Vietnam transferred on 31 December 2022, followed by Laos on 31 December 2023, and Myanmar on 31 January 2024.

As at 30 June 2025, the remaining Mekong River region operations have been classified as a disposal group held for sale and reported as a discontinued operation.

The major classes of assets and liabilities relating to these operations classified as held for sale as at 30 June are outlined below:

Notes to the financial statements cont'd

	2025 \$'000	2024 \$'000
Assets		
Prepayments	-	4
Project advances	-	138
Trade and other receivables	-	76
Property, plant & equipment	-	(25)
Assets held for sale (discontinued operations)	-	193
Liabilities		
Trade and other payables	-	250
Provisions	261	363
Unexpended project funds	-	631
Liabilities directly associated with the assets held for sale	261	1,244
Net (liabilities) directly associated with disposal group	(261)	(1,051)

Note 6. Financial assets and liabilities

6a. Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash in hand	71	117
Cash at bank	13,007	8,714
International revolving fund	87	297
Total cash and cash equivalents	13,165	9,128

For reporting purposes in the Statement of financial position and Statement of cash flows, cash includes cash on hand, deposits held with banks, and short-term money market investments that can be readily converted to cash within 90 days of acquisition. These amounts are shown net of any bank overdrafts.

The International revolving fund represents CARE Australia's contribution to the CARE International fund, which supports activities and shared initiatives across the CARE Confederation worldwide.

6b. Trade and other receivables

	2025 \$'000	2024 \$'000
Trade receivables	1,014	164
GST receivable	331	295
CARE International members	-	519
Project funds receivable	473	2,162
Total trade and other receivables	1,818	3,140

Trade and other receivables are initially recorded at fair value and then measured at amortised cost, less any allowance for expected credit losses. Most receivables are due for settlement within 30 days.

CARE Australia uses a simplified approach to estimate potential credit losses, applying a lifetime expected loss allowance based on how long amounts have been outstanding. This approach ensures a prudent and realistic assessment of recoverability.

Notes to the financial statements cont'd

Project funds receivable represents amounts owed to CARE Australia under project agreements where CARE Australia has pre-funded project expenses. These receivables are supported by formal agreements, stated at their nominal value as at balance date, and are typically recovered within three months.

6c. Trade and other payables

	2025 \$'000	2024 \$'000
Trade creditors	729	1,052
Accruals	234	747
CARE International members	441	-
Other creditors	1,256	1,670
Accrued salary payments	38	173
Total trade and other payables	2,698	3,642

Trade and other payables are recorded at cost, representing the fair value of the amounts CARE Australia expects to pay for goods and services already received. These liabilities are typically settled within 30 days.

Note 7. Non-financial assets and liabilities

7a. Property, plant and equipment

	Leasehold Improvements \$'000	Plant & Equipment \$'000	Computer Systems \$'000	Motor Vehicles \$'000	Assets Held for Sale \$'000	Total \$'000
Cost						
As of 30 June 2023	807	559	1,572	1,009	1,132	5,079
Additions	-	13	42	242	-	297
Disposals	-	(13)	-	-	(792)	(805)
As of 30 June 2024	807	559	1,614	1,251	340	4,571
Additions	-	1	41	16	-	58
Disposals	-	-	(12)	(46)	(340)	(398)
As of 30 June 2025	807	560	1,643	1,221	-	4,231
Depreciation and impairment						
As of 30 June 2023	(567)	(547)	(1,380)	(742)	(1,122)	(4,358)
Depreciation charge for the year	(34)	(12)	(100)	(121)	(1)	(268)
Disposals	-	-	-	-	783	783
As of 30 June 2024	(601)	(559)	(1,480)	(863)	(340)	(3,843)
Depreciation charge for the year	(18)	(1)	(83)	(123)	-	(225)
Disposals	-	-	3	46	340	389
As of 30 June 2025	(619)	(560)	(1,560)	(940)	-	(3,679)
Net Book Value						
As of 30 June 2024	206	-	134	388	-	728
As of 30 June 2025	188	-	83	281	-	552

Notes to the financial statements cont'd

Property, plant and equipment are recorded at cost, less accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis, spreading the cost of each asset (less its estimated residual value) evenly over its useful life. This approach ensures that the expense of using these assets is appropriately matched to the revenue they help generate over time.

Major depreciation periods are:

	2025	2024
Plant and equipment	4-5 years	4-5 years
Computer systems	3-5 years	3-5 years
Motor vehicles	3-5 years	3-5 years
Leasehold improvements	the lease term	the lease term

Impairment

All assets are reviewed at each reporting date for indicators of impairment. If an asset may have declined in value, its recoverable amount is estimated as the higher of its fair value less costs to sell or its value in use. For non-cash-generating assets used for community or program purposes, value in use is measured using depreciated replacement cost.

De-recognition and disposal

An item of property, plant, or equipment is removed from the accounts when it is sold, disposed of, or no longer expected to provide future economic benefits. Any gain or loss from the disposal (the difference between the proceeds received and the asset's carrying amount) is recognised in the Statement of Comprehensive Income in the year of disposal.

7b. Provisions

	2025 \$'000	2024 \$'000
Current		
Employee benefits	3,083	3,063
Other provisions	53	122
	3,136	3,185
Non-current provisions		
Employee benefits	128	127
Office lease make good provision	15	15
	143	142

Provisions are recorded when CARE Australia has a legal or constructive obligation to make a future payment or transfer of resources to another party as a result of a past event. A provision is recognised when it is likely that such a payment will be required and the amount can be reliably estimated.

Employee benefits are comprised of:

Wages, salaries, superannuation and annual leave.

Provisions are made for employee benefits that have accrued as a result of services provided up to the reporting date. Employee entitlements expected to be settled within one year are measured at their nominal value, based on the pay rates expected at the time the benefits are used.

CARE Australia makes regular superannuation contributions to funds nominated by employees, with these contributions recognised as expenses when incurred.

Notes to the financial statements cont'd

Long service leave

The provision for long service leave for Victorian-based staff and executive employees (not covered by the Social, Community, Home Care and Disability Services Award) is measured at the present value of the estimated future payments for services provided up to the reporting date. This calculation uses market yields on Australian government bonds at the reporting date with maturities that align with the expected timing of payments.

For non-executive Victorian staff who are eligible for Portable Long Service Leave, entitlements are expected to be settled within 12 months of the reporting date. These are therefore valued at their nominal amount, based on the remuneration rates expected to apply when the benefits are paid.

Make good provision

CARE Australia's Melbourne office lease includes a make good clause, requiring the premises to be restored to its original condition at the end of the lease term. It is expected that this obligation will need to be met, and the cost can be reliably estimated.

The provision reflects the estimated future cost of restoring the premises, taking into account factors such as expected refurbishment costs, timing, and appropriate discount rates. This estimate is reviewed each year to ensure it remains accurate and up to date.

7c. Contract liabilities – unexpended project funds

	2025 \$'000	2024 \$'000
As at 1 July	13,690	18,794
Received during the year	27,401	27,049
Released to the statement of profit or loss	(24,968)	(32,153)
As at 30 June	16,123	13,690

Contract income received for specific or restricted purposes is initially recorded as a current liability under unexpended project funds. These funds represent amounts that will be used to deliver agreed project activities in future periods. The liability for each project is typically settled over the contract term, which may range from one month to three years.

This balance represents unspent funds under agreements with various humanitarian partners, where CARE Australia received funding in multiple currencies—including Australian Dollars (AUD), United States Dollars (USD), Euros (EUR), Papua New Guinea Kina (PGK), and Vanuatu Vatu (VUV)—to carry out contracted activities.

To help manage foreign exchange risk, CARE Australia maintains several foreign currency bank accounts, which in some cases provide a natural hedge. At year end, the AUD equivalent of funds held in foreign currencies was \$7,004,465 (2024: \$9,576,999), with the remaining funds held in Australian Dollars.

Notes to the financial statements cont'd

7d. Leases

Company as a lessee

CARE Australia leases a range of properties and equipment that support its operations. Property leases generally have terms ranging from six months to six years, and CARE Australia's obligations are secured by the lessor's ownership of the leased assets. Generally, CARE Australia is restricted from assigning and subleasing the leased assets and some contracts require CARE Australia to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

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

Notes to the financial statements cont'd

The table below shows the carrying amounts and movements of CARE Australia's right-of-use assets during the reporting period.

	2025 \$'000	2024 \$'000
Office building		
As at 1 July	454	134
Additions	249	638
Disposal (net)	(21)	-
Impairment (net)	-	278
Depreciation	(465)	(597)
As at 30 June	217	454
Lease liability movement		
As at 1 July	465	140
Additions	248	638
Accretion of interest	17	26
Write-off of lease liability	(25)	-
Impairment of lease liability	-	189
Payments	(482)	(528)
As at 30 June	223	465
Lease liability		
Current	172	328
Non- current	51	137
Total	223	465

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

	2025 \$'000	2024 \$'000
Depreciation expense of right-of-use asset	465	597
Interest expense on lease liabilities	17	26
Loss on lease impairment	-	89
Surplus on lease disposal	(4)	-
Total amount recognised in profit or loss	478	712

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

	2025 \$'000	2024 \$'000
Within one year	172	650
After one year but not more than five years	51	361
More than five years	-	-
Total	223	1,011

Notes to the financial statements cont'd

Note 8. Reserves

General reserves represent the accumulated operating results of CARE Australia. These funds are maintained to safeguard financial stability, ensure ongoing operational capacity, and enable strategic investment to support the achievement of CARE's mission.

CARE Australia's Reserves Policy establishes the minimum reserve levels required to protect the organisation's long-term sustainability and sets out the process for Board approval when reserve funds are used. This policy ensures an appropriate balance between maintaining financial security and providing the flexibility needed to respond to the evolving humanitarian and development challenges of a dynamic global environment.

Specific purpose reserves relate to unspent restricted donations that are carried forward to be used for designated programs or activities in future periods, in line with donor intent.

Note 9. Events subsequent to the reporting date

There are no significant events subsequent to the reporting date.

Note 10. Contingencies

As at 30 June 2025 CARE Australia did not have any contingent assets or liabilities.

Note 11. Related party transactions

Director-related entity transactions

During the year, CARE Australia received \$178,755 (2024: \$268,065) in pro bono services from Corrs Chambers Westgarth. The Board Chair, Dr Phoebe Wynn-Pope, is Head of Business and Human Rights and Head of Pro Bono at Corrs Chambers Westgarth.

During the year, CARE Australia received \$30,367 (2024: \$77,105) in pro bono services from King & Wood Mallesons. The Director and Chair of People and Impact committee, Ms Diana Nicholson, is a Senior Partner at King & Wood Mallesons.

During the year, CARE Australia received \$243,840 (2024: nil) in pro bono services from PwC Australia. The former Board Chair, Mr Marcus Laithwaite, and Director and Deputy Chair of Finance, Risk and Audit Committee, Ms Kaajri Vaughan, are Partners at PwC.

Note 12. Key management personnel

Compensation of key management personnel – executives

	2025 \$'000	2024 \$'000
Short term employee benefits	1,060	1,202
Post-employment benefits	153	195
	1,213	1,397

Notes to the financial statements cont'd

Note 13. Remuneration of auditors

Amounts received or due and receivable by EY Australia	2025 \$'000	2024 \$'000
Audit of the financial report of CARE Australia	114	111
Audit of the USAID grants	62	125
	176	236

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

Note 14a. Details of aggregate gross income and total expenses for fundraising appeals

	2025 \$'000	2024 \$'000
Proceeds from fundraising appeals		
Donations	7,817	7,725
Bequests	1,076	1,207
Gross proceeds from fundraising appeals	8,893	8,932
Total expenses for fundraising appeals		
Donations	2,596	2,855
Net surplus from fundraising appeals	6,297	6,077

Note 14b. Statement showing how funds received are applied for charitable purposes

	2025 \$'000	2024 \$'000
Net surplus obtained from fundraising appeals	6,297	6,077
Applied for charitable purposes as follows:		
International programs	35,253	47,403
Program support costs	3,143	4,057
Community education	917	1,158
Cost of raising program funds from government and multilateral agencies	782	779
Accountability and administration	1,764	5,356
Non-monetary expenditure	502	418
Total expenses	42,361	59,171
(Shortfall) / surplus	(36,064)	(53,094)
Shortfall was met from the following sources		
DFAT grants	5,244	5,781
Other Australian grants	13,971	13,775
Other overseas grants	16,617	26,861
Investment income	1,101	1,144
Other income	487	339
	37,420	47,900
Net surplus/(shortfall) transferred to accumulated funds for future use	1,356	(5,194)
	%	%
Total cost of public fundraising/revenue from the Australian public	29%	32%
Net surplus from Fundraising/revenue from the Australian public	71%	68%

Notes to the financial statements cont'd

Note 15. Information required by the ACFID Code of Conduct

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
REVENUE			
Donations monetary	3	7,315	7,307
Donations non-monetary	3	502	418
Bequests and legacies	3	1,076	1,207
Total Revenue from donations and bequests		8,893	8,932
Department of Foreign Affairs and Trade	3	5,244	5,781
Other Australian grants and contracts	3	13,971	13,775
Overseas grants and contracts	3	16,617	26,861
Total revenue from contracts with customers (grants and contracts)		35,832	46,417
Investment income	3	1,101	1,144
Other income	3	487	339
Total revenue and income		46,313	56,832
EXPENDITURE			
International programs			
Funds to international programs		35,253	47,403
Program support costs		3,143	4,057
Community education		917	1,158
Fundraising costs			
Public		2,596	2,855
Government, multilateral and private		782	779
Accountability and administration		1,764	5,356
Non-monetary expenditure – Australian based		502	418
Total expenditure		44,957	62,026
NET SURPLUS/(DEFICIT) BEFORE COMPREHENSIVE INCOME/(EXPENSES)		1,356	(5,194)
COMPREHENSIVE INCOME			
Other comprehensive income		-	-
Total comprehensive (expenditure) for the year		-	-
NET SURPLUS AFTER COMPREHENSIVE INCOME/(EXPENDITURE)		1,356	(5,194)

Notes to the financial statements cont'd

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

On 1 July 2022, CARE International Timor Leste (CITL) entered into a grant funding agreement with the New Zealand Ministry of Foreign Affairs and Trade (MFAT) for the Lafaek Learning Materials Project (Activity Number: ACT-0A11960) as part of the New Zealand Aid Program. During the financial year, CITL received \$2,379,900 (US\$1,500,289) (FY24: \$2,283,653 (US\$1,490,997) from MFAT in accordance with this grant funding agreement to implement this project. CITL is a controlled entity of CARE Australia, and the financial performance and position of this project are incorporated into CARE Australia's audited financial statements.

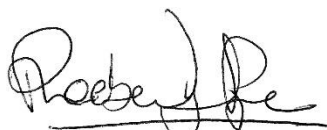
Directors' Declaration

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

In the opinion of the Directors:

- a) the financial statements and notes of CARE Australia are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
 - (i) giving a true and fair view of CARE Australia's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards, and International Financial Reporting Standards issued by the International Accounting Standards Board, and the Australian Charities and Not-for-Profits Commission Regulations 2022;
- b) there are reasonable grounds to believe that CARE Australia will be able to pay its debts as and when they become due and payable;
- c) the provisions of the Charitable Fundraising Act 1991 (New South Wales) and the regulations under the Act and the conditions attached to the authority have been complied with;
- d) the internal controls exercised by CARE Australia are appropriate and effective in accounting for all income received and applied by CARE Australia from any of its fundraising appeals.

On behalf of the Board

A handwritten signature in black ink, appearing to read "Phoebe Wynn-Pope".

Dr Phoebe Wynn-Pope
Chair

A handwritten signature in blue ink, appearing to read "Joseph Tesvic".

Joseph Tesvic
Treasurer

20 November 2025

Independent auditor's report to the members of CARE Australia

Report on the financial report

Opinion

We have audited the financial report of CARE Australia (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

- a. Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

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

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

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

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

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

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

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

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



**Shape the future
with confidence**

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



**Shape the future
with confidence**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulation 2021*


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

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

Opinion

In our opinion:

- a. The financial report of CARE Australia has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2025, in all material respects, in accordance with:
 - i. Sections 20(1), 22(1-2), 24(1) of the *NSW Charitable Fundraising Act 1991*;
 - ii. Sections 14(2) and 17 of the *NSW Charitable Fundraising Regulation 2021*;
- b. The money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2025 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.

The Ernst & Young logo features a stylized signature of 'Ernst & Young' in a cursive script, with the words 'Ernst & Young' in a sans-serif font below it.

A handwritten signature in black ink, appearing to read 'ITzavaras'.

Irene Tzavaras
Partner
Canberra
20 November 2025