



CUFA ANNUAL REPORT 2012-13

Developing People  CUFA
Strengthening Communities



Developing People Strengthening Communities

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Chair's Introduction



Welcome to our Annual Report for 2012-13. It has been yet another successful year with CUFA continuing to reach our goal of helping more communities living in poverty throughout the Asia Pacific region. CUFA would like to acknowledge and thank all of our generous supporters, volunteers and friends who have helped make this year yet another success. The 2012-13 financial year has been an eventful one as CUFA made the move to a new independent entity structure from an Abacus—Australian Mutuals (now Customer Owned Banking Association) subsidiary. The transition to independence occurred seamlessly on 1 July, 2013, as a result of intensive planning and preparation carried out by the CUFA team.

The CUFA Board would like to formally acknowledge and thank the Customer Owned Banking Association, formerly Abacus—Australian Mutuals for their generosity and support in the past and acknowledge their continued assistance post-transition. The CUFA Board would also like to acknowledge the hard work of the CEO Peter Mason for taking on the oversight of the transition process in addition to his normal responsibilities. The Board also sincerely appreciates the hard work and devotion of the Australian and overseas staff whose contribution last year ensured that CUFA continues to grow from strength to strength.

As an overseas development organisation that operates in the Asia Pacific region, we face challenges daily and continually identify areas of need to be addressed. It is with a great deal of pride that the CUFA Board notes the continued success of CUFA's projects in improving the livelihoods of those living in poverty and helping them to achieve a sustainable future. These outcomes could not be attained without the support of Australian mutuals, corporate sponsors and private donors. I invite you to continue reading to learn more about CUFA's achievements from the last financial year in CUFA's Annual Report for 2012-13. Please enjoy.

Margot Sweeny



Chief Executive Officer's Introduction



The 2012-13 financial year has been a year of highlights for CUFA's work with the continued success of each project and the introduction of more life-changing programs. One particular highlight was CUFA's partnership with the Australian Agency for International Development (AusAID) to help relocated families through the 'Reaching an Independent Economic Life' (RIEL) Project. This project has seen an enormously positive impact on communities affected by the Cambodian Railways Rehabilitation Project and has certainly been one of the many achievements of the financial year.

Another highlight has been the growth of CUFA's projects, one in particular is the Myanmar Teachers Project which commenced toward the end of the financial year. The project offers a sustainable solution to issues surrounding the payment of teachers in non-government schools in poor communities throughout the Shan state in Myanmar. The project aims to keep teachers in schools offering a quality education to the region's children.

The growth of CUFA's projects in all countries has seen the team grow from 50 to 90 in the last financial year. With the transition to independence and the stage of growth CUFA is now entering, it is an exciting time to part of the CUFA team. I hope you enjoy reading about the success of CUFA's programs in our 2012-13 Annual Report.

Peter Mason



Claudio Raschella



Claudio Raschella

About CUFA

Our history:

CUFA have been delivering programs that develop people and strengthen communities by providing them with access to affordable financial services since 1971. Developed as the international development agency for the Australian credit union movement, CUFA support and assist financial cooperatives throughout the Asia Pacific, working towards our mission and vision for a better future for poor communities in our neighbouring region.

OUR VISION: Credit Unions promoting financial and social well-being in communities.

OUR MISSION: Empowering communities through access to affordable financial services.

Our work:

Many people and families living in poor communities throughout the Asia Pacific region live on less than \$2 a day. That money needs to cover food, shelter, clothing, clean water, their children's education and access to medicine and health care. As you can imagine, their income doesn't go very far. By providing these communities with access to financial services, referred to as a credit union or village savings bank, CUFA give people a safe place to save their money and take out loans in order to better their situation. CUFA teaches people how to manage their money

for their future and provides them with the resources to do so. By establishing or growing a savings bank in a community, CUFA is helping to keep money within the village, creating employment opportunities and promoting solidarity.

How do we work?

We work in partnership with local communities and community leaders. CUFA employs locals with local knowledge and understanding to work with our partnering communities and institutions. Through this we are building local skills. Furthermore, CUFA actively works with and consults local financial cooperatives and savings bank federations and provides training and development in order to improve their capacity to empower their communities.

Who benefits?

Everyone! CUFA works on a policy of promoting financial inclusion, which means that everyone is given access to the savings bank regardless of gender, disability or social standing. In fact, CUFA works cooperatively to actively include these groups, provide them with a voice and empower them.

Where do we work?

CUFA are active in a number of countries throughout the Asia Pacific region. These countries include: Australia, Cambodia, Myanmar, Timor Leste, Fiji, Papua New Guinea, Solomon Islands, Vanuatu, Tuvalu, Tonga, Samoa, Federated States of Micronesia, Kirabiti and Palau.

What do we do? Teach, Support and Establish

Instead of just giving money, CUFA teaches people how to use it. CUFA provides training and development programs to help increase the capacity of locals to build and develop the formal and informal financial institutions in each country we work in. Through sustainable development programs, CUFA supports communities and helps people build a brighter future for themselves.

What type of programs are we delivering?

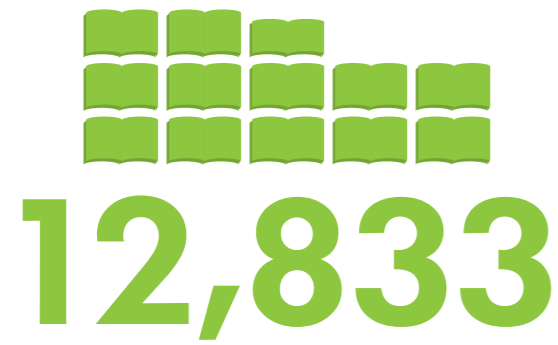
- **Financial literacy** – educating adults and children of the importance of saving for their future and responsible financial management

- **Financial inclusion** – empowering groups, such as those living in remote communities and those within these communities who are largely excluded such as women and those living with a disability, by enabling them to become financially independent.

- **Improving livelihoods** – providing families with access to knowledge, skills and resources needed to lift themselves out of poverty such as introducing the concept of saving, providing capital to start up or expand a small business and giving them an opportunity to achieve a sustainable future.

- **Resettlement** – helping families who have been resettled in new locations gain a fresh start by teaching them how to manage their finances.

CUFA's year in a snapshot



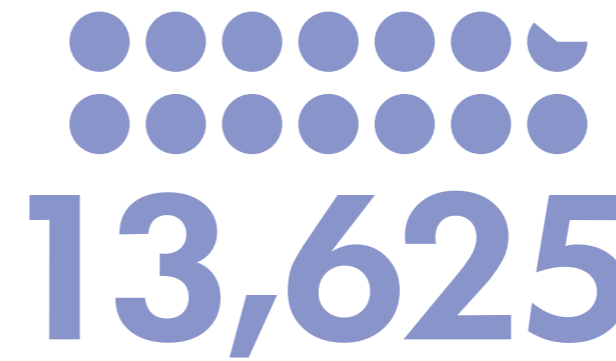
Number of children impacted by Cambodia's Children's Financial Literacy in **38 schools** over **333 classes**



Increase in membership seen by **23 Credit unions** in Timor Leste



Number of people that benefited from technical assistance across **8 Pacific Countries**



Number of people that directly benefited from our Credit Union Outreach Program in Timor Leste, Cambodia and Myanmar



Number of women in Myanmar that benefited from CUFA's strengthened credit union governance



Number of direct and indirect beneficiaries across CUFA projects in **14 countries**



Number of Timorese men & women that benefited from CUFA's technical assistance programs





Claudio Raschella



Transition to independence – changes in governance

Over the last three years CUFA have been engaged in a process of transitioning from a subsidiary of our parent company, Customer Owned Banking Association (formerly Abacus – Australian Mutuals) to an independent entity. The transition became effective at the conclusion of the 2012-13 financial year.

As a result of the transition, some changes have been made to CUFA's governance. However, there have been no changes to CUFA's core mission of helping people living in poor communities access affordable financial services.

Some key governance changes that became effective as of July 1 2013:

- Constitutional changes have been made to reflect the transition of CUFA's governance structure from a subsidiary to a company limited by guarantee. A new constitution has been written which can be viewed at www.cufa.com.au

- CUFA has also become a membership based organisation, where CUFA's supporters have the opportunity to have a say in CUFA's operations through their voting power at the Annual General Meetings.

The transition is an exciting event for CUFA as it will allow us to become a stronger organisation and will reflect the rapid growth we are experiencing. As an independent entity, CUFA will be able to operate more effectively as a non-government organisation and see us continue to support poor communities in the Asia Pacific region.



Our Projects

Building Institutional Capacity Program

Project – Model Credit Union Development

The Model Credit Union Development project provides financial services to increase financial inclusion to rural communities that otherwise would not have access to financial services. Project staff have worked collaboratively with communities to establish financial cooperatives based on the principles outlined by the International Credit Union movement codified by the World Council of Credit Unions (WOCCU).

In our second year, CUFA have implemented an initial savings development plan and rolled out four phases – community development, cooperative education, financial literacy education and group formation. This plan has been delivered through a highly successful series of workshops and meetings that have been centred on building trust and cohesion to achieve capacity. In combination with this strategy, the project has found that door to door field support training is very important in building this trust and encouraging saving mobilisation. Given the positive results, CUFA will continue to implement this support through the local field officers.

CAMBODIA

CUFA is currently providing support to four communities in three provinces; Kampong Cham, Ratanakiri and Steung Treng and have directly and indirectly benefited 13,132 Cambodians. In line with the mandate of the project these beneficiaries are exclusively in rural areas that have previously had no exposure or access to financial services at even the most basic level. 40% of those who have been involved in the project have been women, empowering them to be part of the financial decision making process, gain an understanding of money and have access to training and support.

TIMOR LESTE

The project is currently operating across Timor Leste in ten sub-villages, and three sub-districts - Remixo, Letofoho and Maubisse. Throughout the region there is a mix of male and females both participating in the program and who are benefitting from the provision of financial services.



Our Projects

Project – Credit Union Outreach

CUFA is strengthening the capacity of existing credit unions through the provision of technical assistance to support the governance, financial management and sustainability of individual credit unions. These support activities focus on in-field assistance and the provision of targeted training modules to build existing capacity.

CAMBODIA

39 credit unions and one federation are currently receiving technical assistance through this program. CUFA is working collaboratively with the Cambodia Association of Cooperatives (CAC), to assist in their successful implementation of operational best practice across six areas; good governance, savings and membership mobilisation, managing delinquency, committee member responsibilities, loan application practices, and financial account keeping skills. CUFA also fund an honorary board position held by an Australian Mutual movement professional who assists CAC with governance issues as well as providing technical support.

As a result of the training there has been an increase in credit union membership, the total savings of the credit union have grown, and the participation of women as decision makers at the committee and board level have grown. The project beneficiaries reap the value of a more financially accountable, transparent and well managed local financial institution as well as greater financial knowledge as members who can make informed financial decisions in the best interest their families.

TIMOR LESTE

The Outreach program, provided support to 23 credit unions across 10 districts, receiving support in eight key areas; savings mobilisation, leadership, good governance, micro-enterprise, loan processes, dividend calculations, account keeping, and monthly interest allocations. The technical support was provided to committee members to help build capacity, with the aim of achieving operational best practice.

The outcomes achieved positive results in relation to both membership and savings growth, demonstrating a strong trust for the credit unions and their ability to improve their financial transparency to members.

Across all the credit unions, there was a 37% increase in their membership from 3,257 to 4,463 members. This growth was primarily achieved by 19 of the credit unions, while the remaining 4 maintained a consistent level of membership.

MYANMAR

Six project staff, together with 20 Community Cluster Facilitators, provided support to the credit unions and their members, building their operational capabilities across a number of areas. There has been substantial improvement in bookkeeping where information recorded in member passbooks is leading to greater transparency and strengthening trust. Credit unions have also been assisting members to create detailed business plans, which are allowing more accurate assessments when it comes to determining the most appropriate loan. Loans are determined by the needs of the member and their ability to repay the loan.



Our Projects

Myanmar Teachers Project - Myanmar

This three year project aims to help teachers working and living in the Shan region of Myanmar. In conjunction with a network of Buddhist monks and nuns, CUFA is working with 157 teachers, 5495 students and 22 credit unions to implement a sustainable strategy for supplementing teachers' salaries in order to increase their salary to a livable wage. Prior to the project, teachers relied on donations, which was not a viable source of income and resulted in the loss of staff. The strategy of putting donated funds into the Buddhist network's credit union loan pool has the effect of encouraging savings mobilisation, increasing membership, creating opportunity for loans while also creating loan interest which supplements the teacher's income. The project so far has seen six credit unions within the Buddhist network receive funding to increase their loan pool.

Children's Financial Literacy – Cambodia

The Children's Financial Literacy program has been operating in Cambodia since 1 March 2008 and is now in its sixth year operating in Kampong Chhnang, Svay Rieng and Takeo provinces. Since its inception, the program has expanded its geographical and participant reach and now focuses on a particular age group of approximately 12,000 Cambodian children (aged 7-11) in poor regions of Cambodia. The roll out of the educational program is dependent upon a team of Project Field Officers who conduct 5 financial literacy lessons in the primary schools on a monthly basis.

The lessons are based on the merits and fun of savings along with related financial literacy skills building. Each lesson is one hour in duration and each child benefits from the encouragement to develop good savings habits from an early age.

In 2012-2013, the project delivered classes across 38 schools, in 333 classrooms. The children learnt about money, income sources, savings, budgeting, financial goals, and the local credit union. Some of the short term goals of the students included buying a bicycle, school uniform, or school equipment. Children understood that having an account with the credit union is significant for their long term savings goals e.g. Higher Education.

The Project Field Officers conducted regular savings bank visits and discussed strategies to increase children's membership. 1,703 children demonstrated increased savings, 37.5% of these were girls, and 84 children opened accounts with their local credit union as result of the project. The children took a study tour with one credit union located in Dontong Village, Svay Rieng Province. The activity introduced children to the physical credit union building and its operations, met with the credit union manager and encouraged children to open an account.



Our Projects

Oceanic Confederation of Credit Union Leagues (OCCUL) - Pacific Region

This project supports the development and expansion of OCCUL and the operations of its Secretariat Office which provides member services and technical assistance to credit union movements throughout the Pacific. OCCUL was established in February 2010 as a peak body to build a united credit union movement in the region, provide a mechanism for information sharing, and act as a representative body in international forums. OCCUL Board of Directors met twice in the year, first in September 2012 at the Pacific Technical Congress in Nadi and then in April 2013 in the OCCUL Office in Suva. Decisions around governance and setting strategic direction for the league were made during the OCCUL Board meetings.

OCCUL's member services have been highly effective in maintaining and engaging members through the annual Congress held in Fiji. OCCUL also produced regular updates to a readership of more than 500 people through monthly electronic bulletins, newsletters and via OCCUL's website. The provision of technical assistance is a vital part of OCCUL services. In 2012-2013 staff provided on-the-ground training to eight different countries in the Pacific these included, Fiji, Federated States of Micronesia, Vanuatu, Tonga, Samoa, Solomon Islands, Kiribati and Palau. Training was also provided to participants of the Pacific Credit Union Technical Congress held in Nadi, Fiji. Credit union staff and committee members have gained greater knowledge and capacity to assist their credit unions to operate more efficiently and effectively.

RIEL Project - Cambodia

The 'Reaching an Independent Economic Life' (RIEL) Project helps households who have been resettled in other areas as a result of the Railways Rehabilitation project in Cambodia. CUFA work with 375 households who have been affected.

At the request of the Australian Aid Program, CUFA is supporting families through projects that promote financial well-being. CUFA's projects are increasing the understanding of basic financial concepts within these households to provide them with the tools to better manage money. The project also involves supporting those who have entered into unaffordable and unserviceable loans with the aim of helping them to break the cycle of debt.

The results have seen the delivery of training around five core financial literacy components; understanding financial concepts, family budgeting, sensible borrowing & managing debt repayments, setting financial goals, children's financial literacy as well as ongoing support services of financial counseling sessions and a toll-free help-line. Across the five sites; Phnom Penh, Pursat, Battambang, Poi Pet and Sihanoukville, a total of 2,249 individuals (1,364 females and 12 people with disabilities) attend the workshops, increasing their financial literacy knowledge, building capacity to manage their debt and making sensible decisions in relation to future borrowings.



Our Projects

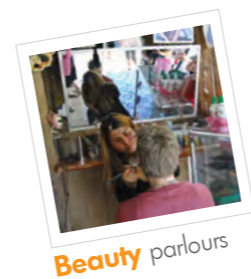
Village Entrepreneur - Cambodia and Timor Leste

The Village Entrepreneur program started in 2008 with the aim of helping the poorest of the poor in communities break out of poverty through micro-business development. The program started to assist the many people living in Cambodia and Timor Leste who are too poor to qualify for a loan from their local credit union. To assist these villagers, CUFA's Village Entrepreneur program connects everyday Australians to a villager in Cambodia or Timor Leste through a 1:1 sponsorship program. Funds received from the Australian donor go toward helping the villager start-up their business and providing ongoing support from CUFA's Project Officers.

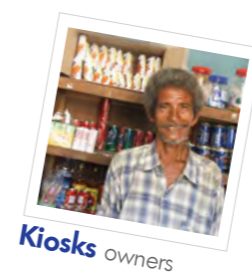
The aim is for the business to grow and to become a sustainable source of income for the villager and their family within three years.

The program has 53 active entrepreneurs in Timor Leste and Cambodia currently has 78. Each Village Entrepreneur receives support each quarter from CUFA's Village Entrepreneur Coordinators to ensure they reach their goals and achieve sustainability with a 99.8% success rate.

Through the program, villagers and their families are now able to afford food daily, access health care, repair their houses and pay their children's school fees. They are also able to make regular contributions to their savings accounts for any emergencies which in turn increases the loan pool for other members of their credit union in the community to take advantage of.



Beauty parlours



Kiosks owners



Bicycle repairers



Animal farmers



Food stalls



Second hand good collectors



Vegetable farmers

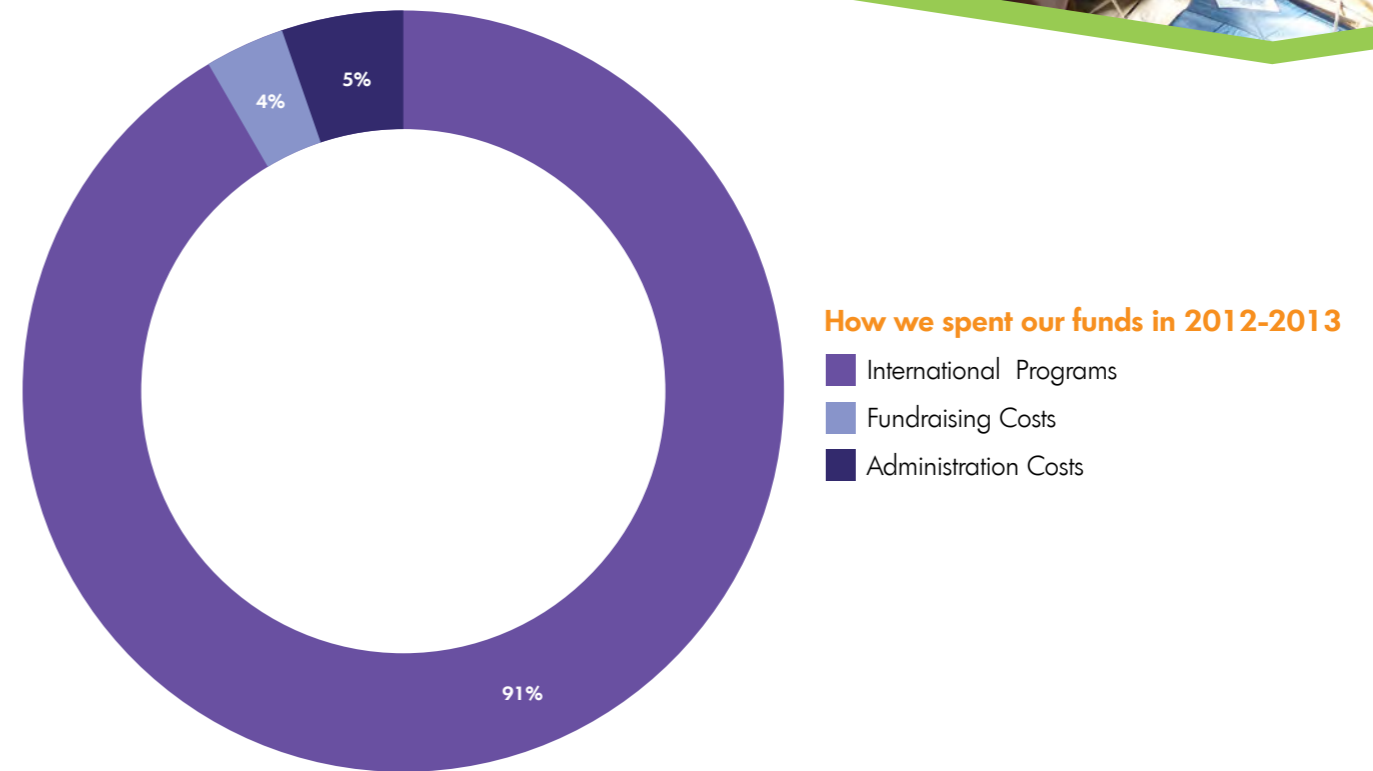
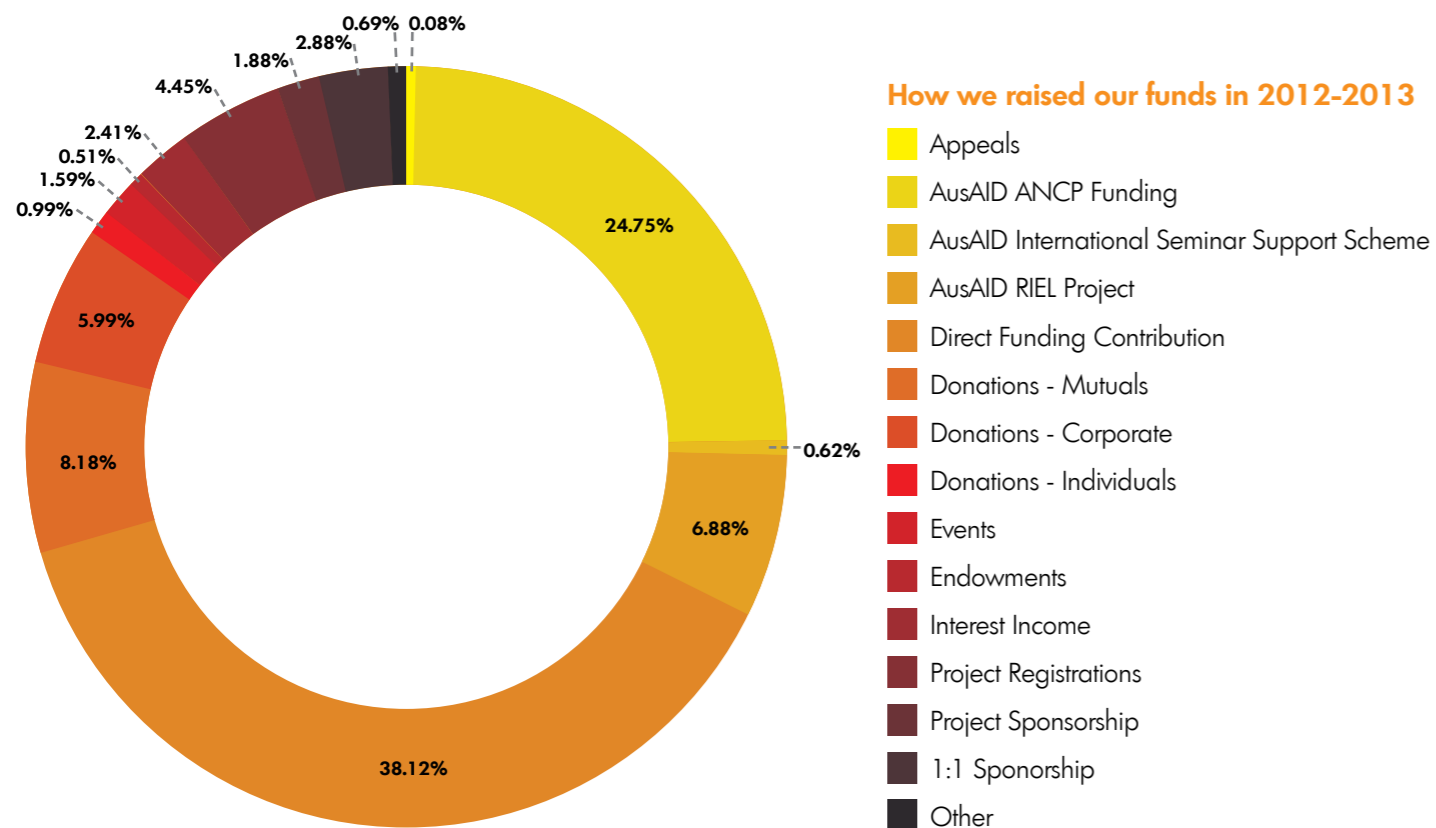


Basket weavers



Summary of Financial Statements

The following gives a plain English summary of how CUFA raised and spent funds in both our International and Domestic Projects. It is also noted that CUFA Directors receive no financial benefit for their time and commitment on CUFA's Board.



CUFA is a member of the Australian Council for International Development (ACFID) and a signatory committed to full adherence to the ACFID Code of Conduct.

Complaints against signatory agencies may be initiated by any member of the public by following ACFID's Code of Conduct Complaints Handling Process either via their website www.acfid.asn.au email code@acfid.asn.au or telephone **02 6281 9220** Code and Membership Services Manager.

Members of the public may also lodge a complaint against CUFA either via the feedback avenue on the website www.cufa.com.au email feedback@cufa.org.au or telephone **1300 490 467** to speak to our Chief Executive Officer.

CUFA International Projects Fund

THE AUSTRALIAN FOUNDATION FOR INTERNATIONAL CREDIT UNION
DEVELOPMENT - INTERNATIONAL PROJECTS FUND
ANNUAL FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

The Australian Foundation for International Credit Union Development - International Projects Fund

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Information on Trustee

Credit Union Foundation Australia Pty Limited is the Trustee of The Australian Foundation for International Credit Union Development - International Projects Fund (the 'Fund').

Credit Union Foundation Australia Pty Limited is a wholly owned subsidiary of Abacus – Australian Mutuals Limited and its only activity is to act as Trustee of this Fund, Credit Union Foundation Australia Trust Fund and the Credit Union Relief Fund.

Information on the Directors of Credit Union Foundation Australia Pty Limited regarding their qualifications, experience and other directorships is set out below.

Directors during the financial year

Brian Bennett Dip Com, CPA, FAMI, AIMM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

Chief Executive Officer Encompass Credit Union since 2005

32 years senior managerial experience in the Credit Union movement

Served on various industry level bodies, including Combined Financial Processing (CFP)

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Rowan Dowland GAICD AFAIM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

General Manager Development bankmecu

19 years senior management experience in mutual banking

Directorships in Other Entities:

Director, Marriott Support Services Limited

Other Declared Interests:

Nil

Peter George Dowling AM, BA(Acc), FCPA, FAICD

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Directorships in Other Entities:

Metro South Hospital and Health Services Board

TAFE Queensland

CPA Australia

Lexon Insurance

Q-COMP

Credit Union Australia

The Asset Institute

SPYRUS Pty Ltd

Virgin Blue Aircraft Leasing Subsidiaries

Other Declared Interests:

Chair of Sunshine Coast Regional Council's Audit and Risk Committee

Chair of Queensland Department of Transport and Main Roads' Audit and Risk Committee.

Chair of the Queensland Crime and Misconduct Commission Audit and Risk Committee

Member of Moreton Bay Regional Council and Redlands Council Audit and Risk Committees

Member of the Queensland Department of Energy and Water Supply Audit and Risk

Committee

Queensland Honorary Consul for Botswana

Information on Trustee (continued)

Margot Sweeny B Bus, MEd, CPA, MACS, SA Fin, FAMI, JP (Chair)

Appointed 14 September 2010

Experience:

Chief Executive Officer, Summerland Credit Union

13 years credit union CEO

8 years credit union experience as credit union Deputy Chairperson and Director

Patron of the Friends of the Koalas

9 years Director of Finance and Facilities in tertiary sector

8 years lecturing in Accounting, Finance and Computing

11 years financial, accounting and computing experience in multi-national, national and small business entities

5 years as Chair of NRRDB – State Government Appointment

5 years as Secretary of NRACC – Federal Government Appointment

Member of the Future of Financial Advice FOFA 2011-(Federal Government Appointment)

2 years Northern Rivers Community Foundation – a founding member

3 years Southern Cross University Foundation

Directorships in Other Entities:

Director Abacus Australian Mutuals Limited (COBA)

Southern Cross University - Member of University Council, Chair of Finance Committee,

Deputy Chair of Audit & Risk Committee.

Director of Heathtech Pty Ltd

Therese Turner, MBA, Adv Diploma Accounting, MAMI

Appointed 7 December 2010

Resigned 27 August 2012

Experience:

Chief Executive Officer, Quay Credit Union Ltd

26 years experience in financial services industry

Directorships in Other Entities:

Director, Quay Credit Union Ltd

Other Declared Interests:

Nil

Retiring Director – Subsequently reappointed Held office during the financial year

Louise Margaret Petschler BA (Hons), MAICUD

Appointed 9 October 2012

Resigned 30 June 2013

Experience:

Chief Executive Officer, Abacus-Australian Mutuals Limited

16 years experience in government and public relations

11 years experience in finance industry

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Roseanne Celeste Healy BA, MBA, Master of Business Research

Appointed 1 July 2013

Experience:

15 year experience as a Non Exec Director
 10 years as a corporate advisor in strategy and sustainability
 7 years strategic marketing and management CEO
 2 years research and development ED
 4 years business research and analysis MD

Directorships in Other Entities:

Rural Industries Research and Development Corporation
 Country South SA Medical Local
 Country Health SA Local Health Network Governing Council
 GP Partners Australia

Other Declared Interests:

Member of Institute of Corporate Directors AICD
 Member of the Public Relations Institute Australia PRIA
 Special Olympics Australia
 UN Women Australia
 The Crawford Fund

Madeline Dermatossian GMP Dip Law

Appointed 1 July 2013

Experience:

2 years financial services industry MD and CEO, Future Plus Financial Services Pty Ltd
 3 years financial services industry Deputy CEO, Future Plus Financial Services Pty Ltd
 4 years financial services industry General Counsel & Company Secretary, Future Plus Financial Services Pty Ltd
 6 years financial services industry Head of Legal and Company Secretary, ABN Amro Bank N.V. and BT Financial Group
 6 years financial services industry Senior Counsel, Perpetual Trustees Australia Ltd
 2 years financial services industry Corporate Lawyer, Advance Bank Australia Ltd
 3 years Board Member, Wayside Chapel

Other Declared Interests:

Member of AICD
 Member of NSW Law Society
 Harvard Alumni

Hermine Scheeres BA, Grad Dip Ed, Grad Dip TESOL, MA, PHD

Appointed 1 July 2013

Experience:

20 years lecturing in social science, education, English, literacy and communications
 9 years university Head of Department
 Curriculum development in Australia, Mexico, and Argentina

Other Declared Interests:

Equity and Diversity Committee UTS
 Chair, Cultural Diversity Committee UTS
 Academic Board, Faculty Board, Courses Committees UTS
 Critical Friend National Research and Development Centre in Language, Literacy and Numeracy, University of London

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INDEPENDENT AUDITOR'S REPORT

To Credit Union Foundation Australia Pty Limited as Trustee of The Australian Foundation for International Credit Union Development - International Projects Fund

We have audited the accompanying financial report, of The Australian Foundation for International Credit Union Development- International Projects Fund (the Fund), which comprises the Balance Sheet as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Trustee's Declaration. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2013.

Trustee's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor

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report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee, as well as evaluating the overall presentation of the financial report.

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

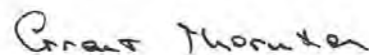
Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

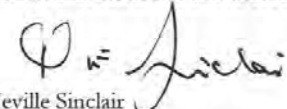
Opinion

In our opinion:

- a the financial report of The Australian Foundation for International Credit Union Development - International Projects Fund gives a true and fair view of the Fund's financial position as at 30 June 2013 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and
- b The financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations for the year ended 30 June 2013; and
- c Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2013, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.
- d The financial report has been prepared in accordance with the ACFID Code of Conduct.



GRANT THORNTON AUDIT PTY LTD



Neville Sinclair
Partner - Audit & Assurance -

23 October 2013

Appendix A – Western Australia Charitable Collections Regulation 1947

Significant Control Requirements

The financial management and fundraising activities of the licence holder should be conducted in accordance with, but not limited to, the following provisions of the Regulations:

Financial Management

- Monies received should be banked within seven (7) days of receipt in accordance with regulation 11(a);
- An asset register should be maintained in accordance with regulation 11(c);
- Every bank account should be operated by two (2) officers of the organisation in accordance with regulation 11(d);
- Investments should be in accordance with regulation 16 of *the Charitable Collections Amendment Regulations (1998)*.

Fundraising

- Monies received from collectors and fundraisers should be paid to the licence holder within fourteen (14) days of receipt in accordance with regulation 11(b) of the Regulations;
- Receipts should be completed for all monies received;
- The Income and Expenditure Statement should be sufficiently detailed to enable identification of all charitable collections received and the manner in which the collections have been dealt with;
- Fundraising expenses (i.e. salaries, wages, commissions and any professional fundraising fees) should be disclosed separately in the accounts;
- The licence holder should be collecting monies and goods, and should be disbursing those monies and goods, in accordance with the organisation's objectives.

The Australian Foundation for International Credit Union Development - International Projects Fund

Trustee's Declaration


The financial report on pages 8 to 26 for the financial year ended 30 June 2013 has been prepared as required by the Trust Deed.


The auditor of the Fund, Grant Thornton Audit Pty Ltd, has been appointed by the Trustee in accordance with the Trust Deed and has conducted an audit of the financial report.

The Trustee declares that:

- a) in the Trustee's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- b) in the Trustee's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving a true and fair view of the financial position and performance of the Fund; and
- c) the Fund has been conducted in accordance with the Trust Deed and has complied with all governing law.

Signed for and on behalf of the Trustee
Credit Union Foundation Australia Pty Limited


Madeline Dermatossian
Director


Hermine Scheeres
Director

Sydney, 22 October 2013

The Australian Foundation for International Credit Union Development - International Projects Fund

Statement of Comprehensive Income

For the financial year ended 30 June 2013

	Notes	2013 \$	2012 \$
REVENUE			
Donations and gifts			
Monetary	3	620,508	768,014
Non-monetary		-	-
Grants			
AusAID	3	791,434	471,947
Other Australian		-	-
Other overseas		-	-
Investment Income			
		39,713	43,616
Other Income			
Other Project Services (Non-Monetary)	4	846,803	279,852
Miscellaneous Income		16,274	-
TOTAL REVENUE FROM ORDINARY ACTIVITIES		2,314,732	1,563,429
EXPENSES			
International Aid and Development Programs Expenditure			
International programs:			
Funds to international programs	5	1,114,911	977,971
Fundraising costs:			
Public		73,291	85,072
Government, multilateral and private		-	-
Accountability and Administration	6	-	-
Non-Monetary expenditure	4	846,803	279,852
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		2,035,005	1,342,895
EXCESS OF REVENUE OVER EXPENSES FROM CONTINUING OPERATIONS		279,727	220,534
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		279,727	220,534

The Australian Foundation for International Credit Union Development -
International Projects Fund

Balance Sheet

As at 30 June 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	1,401,983	1,099,543
Trade and other receivables	7	276,958	305,892
Total Assets		1,678,941	1,405,435
Current Liabilities			
Other liabilities	8	72,449	78,670
Total Liabilities		72,449	78,670
Net Assets		1,606,492	1,326,765
Equity			
Retained Earnings		1,606,492	1,326,765
Total Equity		1,606,492	1,326,765

The above Balance Sheet should be read in conjunction with the accompanying notes

Current and Non-Current Assets:

At the end of both the 2013 and 2012 financial years, with respect to Current Assets, the Fund had no balances in respect of inventories, assets held for sale, or other financial assets.

In both the 2013 and 2012 financial years, there were no Non-Current Assets.

Current and Non-Current Liabilities:

At the end of both the 2013 and 2012 financial years, with respect to Current Liabilities the Fund had no balances in respect of Trade and other payables, Borrowings, Current tax liabilities, Other financial liabilities, or Provisions.

In both the 2013 and 2012 financial years, there were no Non-Current Liabilities.

The Australian Foundation for International Credit Union Development -
International Projects Fund

Statement of Changes in Equity

As at 30 June 2013

	Retained Earnings \$	Total \$
2013		
Balance as at 1 July 2012	1,326,765	1,326,765
Excess of revenue over expenses for the year	279,727	279,727
Balance as at 30 June 2013	1,606,492	1,606,492
2012		
Balance as at 1 July 2011	1,106,231	1,106,231
Excess of revenue over expenses for the year	220,534	220,534
Balance as at 30 June 2012	1,326,765	1,326,765

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

Cash Flow Statement

For the financial year ended 30 June 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Donations received		386,921	418,988
AusAID grants received		791,434	471,947
Funds raised for specific initiatives		163,208	353,997
Interest received		37,295	43,616
Fundraising expenses		(48,887)	(82,685)
Auditor's Remuneration		-	(2,000)
Expenditure on AusAID projects		(753,174)	(674,145)
Expenditure on other projects		(274,357)	(394,216)
Net cash provided by operating activities	9 (b) & 10	302,440	135,502
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		302,440	135,502
Cash and cash equivalents at the beginning of the financial year		1,099,543	964,041
Cash and cash equivalents at the end of the financial year	9(a)	1,401,983	1,099,543

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the financial year ended 30 June 2013

Note	Contents
1.	Adoption of new and revised accounting standards
2.	Significant accounting policies
3.	Non-interest revenue from ordinary activities
4.	Other project services
5.	Funding expenses
6.	Administration expenses
7.	Other receivables
8.	Other payables
9.	Notes to cash flow
10.	Table of cash movements for designated purposes
11.	Financial instruments disclosures
12.	Related party disclosures
13.	Subsequent events
14.	Additional information

1 Adoption of new and revised Accounting Standards

In the current year, the Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Adoption of these amended standards did not have a material financial impact on the Balance Sheet, Statement of Financial Position or the results of operations.

Standards and Interpretations issued but not yet effective

At the date of approval of the financial report, the following Standards and Interpretations were on issue but not yet effective:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments'. Includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2015	30 June 2016

2 General information and statement of compliance

The general purpose financial statements of the Trust have been prepared in accordance with the requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Trust applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct.

The financial statements for the year ended 30 June 2013 were approved and authorised for issue by the board of directors of the Trustee on 22 October 2013.

Summary of accounting policies

a. Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and

expense. The measurement bases are more fully described in the accounting policies below.

b. Revenue

Revenue comprises revenue from the sale of goods, government grants, fundraising activities and client contributions. Revenue from major products and services is shown in Note 3.

Revenue is measured by reference to the fair value of consideration received or receivable by the Trust for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Trust's different activities have been met. Details of the activity-specific recognition criteria are described below.

(i) Government grants

A number of the Trust's programs are supported by grants received from the federal, state and local governments.

If conditions are attached to a grant which must be satisfied before the Trust is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered. Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Trust obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Trust receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

(ii) Donations and bequests

Donations collected, including cash and goods for resale, are recognised as revenue when the Trust gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Trust becomes legally entitled to the shares or property.

(iii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Notes to the Financial Statements
For the financial year ended 30 June 2013

c. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

d. Leases

(i) Operating leases

Where the Trust is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

e. Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(i) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Trust of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The

Notes to the Financial Statements
For the financial year ended 30 June 2013

Trust's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Trusts, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Trust.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Trust has the intention and ability to hold them until maturity. The Trust currently holds long term deposits designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Trust's AFS financial assets include listed securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue'.

Reversals of impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

(i) Classification and subsequent measurement of financial liabilities

The Trust's financial liabilities include borrowings and trade and other payable.

Notes to the Financial Statements
For the financial year ended 30 June 2013

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

f. Income taxes

No provision for income tax has been raised as the Trust is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

h. Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Trust can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

i. Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Notes to the Financial Statements
For the financial year ended 30 June 2013

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

k. Economic dependence

The Trust is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

	2013 \$	2012 \$
3. Non-interest revenue from ordinary activities		
Donations and gifts – Monetary		
Other Australian Donations	386,921	418,988
Children's Financial Literacy-Cambodia	31,489	10,819
Participation Fees-Cambodia Leadership Challenge	34,200	26,978
Participation Fees Pacific Credit Union Technical Congress	49,191	92,082
Leadership - Pacific	-	51,950
Village Entrepreneur Program	75,688	57,589
Fundraising-Asia	32,835	42,159
Fundraising-Pacific	1,912	55,063
Other Funds	8,272	12,386
Total Donations and Gifts - Monetary	<u>620,508</u>	<u>768,014</u>
Grants		
AusAID	791,434	471,947
Other Australian	-	-
Other Overseas	-	-
	<u>791,434</u>	<u>471,947</u>
Total non-interest revenue from ordinary activities	<u>1,411,942</u>	<u>1,239,961</u>

4. Other project services (Non-Monetary)

	2013 \$	2012 \$
These are represented by:		
<u>Project Costs</u>		
Staff Payroll- Abacus Australian Mutuals Ltd	300,917	130,132
Volunteers	118,050	23,423
<u>Administration Costs</u>		
Equipment, services and accommodation		
- Abacus Australian Mutuals Pty Ltd	26,024	14,559
- Cuscal Limited	401,812	111,738
Total	<u>846,803</u>	<u>279,852</u>

Volunteers' services are recognised on the basis of time spent and represent 436 days (2012: 62 days).

5. Funding expenses

	2013 \$	2012 \$
Funds to overseas projects		
AusAID projects	753,174	584,533
Myanmar	3,799	35,396
Financial Literacy Program	31,093	28,811
Leadership-Asia	22,970	22,551
Pacific Credit Union Technical Congress	60,977	93,280
Cambodia Riel Project	95,143	-
Cambodia Building Trust	-	10,124
Pacific Leadership	-	43,180
India	1,406	-
Australian Council for International Development	9000	13,750
Progress Out of Poverty	-	7,494
Village Entrepreneur	64,987	46,559
Board Education and Familiarisation	702	9,572
Oceanic Confederation of Credit Union Leagues	48,838	67,802
Hall of Honour	-	6,514
Other projects	22,822	8,405
Total funds to overseas projects	<u>1,114,911</u>	<u>977,971</u>

Notes to the Financial Statements
For the financial year ended 30 June 2013

	2013 \$	2012 \$
6. Accountability and Administration		
Audit of the financial report (i)	-	-
Other expenses	-	-
	<u>-</u>	<u>-</u>
Auditor's remuneration of \$2,000 for the financial year ended 30 June 2013 was paid by Abacus Australian Mutuals Limited		
7. Trade & Other receivables		
Prepaid Project Expenses	175,800	301,940
Other receivables	101,158	3,952
Total other receivables	<u>276,958</u>	<u>305,892</u>
8. Other liabilities		
Intercompany Liability	16,025	-
Trade Creditors	12,346	-
Deferred Income	660	4,970
Project Accruals	43,418	73,700
Total other liabilities	<u>72,449</u>	<u>78,670</u>
9. Notes to cash flow		
a. Reconciliation of cash and cash equivalents		
- Cash at bank – Other ADIs	380,575	39,889
- Deposits at call - CUSCAL	1,021,408	1,059,654
Total cash and cash equivalents	<u>1,401,983</u>	<u>1,099,543</u>
b. Reconciliation of excess of revenue over expenses to net cash flow from operating activities		
Excess of revenue over expenses for the year	279,727	220,534
(Increase)/Decrease in receivables	28,934	(98,617)
Increase/(Decrease) in payables	(6,221)	13,585
Net cash provided by operating activities	<u>302,440</u>	<u>135,502</u>

Notes to the Financial Statements
For the financial year ended 30 June 2013

10. Table of cash movements for designated purposes

2013 Purpose	Cash available at 30 June 2012	Cash raised during 2012/2013	Cash disbursed during 2012/2013	Cash available at 30 June 2013
Sri Lanka Reconstruction Project	2,739	-	-	2,739
Pacific Congress	3,772	49,191	(47,854)	5,109
Cambodia Children's Financial Literacy	27,042	31,489	(42,653)	15,878
Leadership-ASIA	35,715	34,200	(26,337)	43,578
Oceanic Confederation of Credit Union Leagues	-	48,838	(48,838)	-
Leadership-PACIFIC	30,545	-	(13,123)	17,422
Cambodia Building Trust	-	191,486	(191,486)	-
Australian Council for International Development	-	9,000	(9,000)	-
Cambodia-Building Institutional Capacity	16,842	129,162	(146,004)	-
Timor Leste	-	232,392	(232,392)	-
Village Entrepreneur	31,383	75,688	(64,987)	42,084
Myanmar	-	91,578	(91,578)	-
Fundraising-ASIA	49,839	-	-	49,839
Fundraising-Pacific	89,980	-	-	89,980
AUSAID – RIEL Cambodia	-	168,933	(121,970)	46,963
Other Purposes	811,686	455,512	(178,807)	1,088,391
Total	1,099,543	1,517,469	(1,215,029)	1,401,983

10. Table of cash movements for designated purposes

2012	Cash available at 30 June 2011	Cash raised during 2011/2012	Cash disbursed during 2011/2012	Cash available at 30 June 2012
Purpose	\$	\$	\$	\$
Sri Lanka Reconstruction Project	2,739	-	-	2,739
Pacific Congress	-	97,052	(93,280)	3,772
Cambodia Children's Financial Literacy	45,034	10,819	(28,811)	27,042
Leadership-ASIA	31,288	26,978	(22,551)	35,715
Oceanic Confederation of Credit Union Leagues	-	68,577	(68,577)	-
Leadership-PACIFIC	21,775	51,950	(43,180)	30,545
Cambodia Building Trust	-	10,124	(10,124)	-
Australian Council for International Development	-	13,750	(13,750)	-
Cambodia-Building Institutional Capacity	126,446	221,717	(331,321)	16,842
Timor Leste	42,845	232,763	(275,608)	-
Board Familiarisation and Education	-	9,572	(9,572)	-
Village Entrepreneur	20,353	57,589	(46,559)	31,383
Myanmar	-	35,396	(35,396)	-
Fundraising-ASIA	8,811	42,159	(1,131)	49,839
Fundraising-Pacific	37,285	55,063	(2,368)	89,980
Solomon Islands	-	67,216	(67,216)	-
Solomon Islands	-	-	-	-
Other Purposes	627,465	287,823	(103,602)	811,686
Total	964,041	1,288,548	(1,153,046)	1,099,543

11. Financial instruments disclosures

	2013	2012
	\$	\$
Carrying value:		
Cash at a Bank (at call)	380,575	39,889
Deposits at call	1,021,408	1,059,654
Total carrying value	1,401,983	1,099,543

Fair value

The Trustee considers that the carrying value of the Fund's financial instruments carried at amortised cost approximates their fair value because the application of fair value methodologies would result in only minimal changes to their carrying value, due to the short-term nature of the instruments.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The cash balance is exposed to movements in interest rates.

A sensitivity to a 0.5% increase or decrease in interest rates on average cash balances has been used as this represents management's assessment of the possible change in interest rates. A positive number indicates an increase in profit or loss while a negative number indicates an equal and opposite impact on the profit or loss.

Sensitivity Impact	Decrease 0.5%		Increase 0.5%	
	2013	2012	2013	2012
	\$	\$	\$	\$
Profit or loss	(7,020)	(5,492)	7,020	5,492

Credit risk

Cuscal Limited is an approved deposit taking institution regulated by APRA and is rated A+ (long term) and A-1 (short term) by Standard and Poor's. Accordingly, the Trustee believes that the accounts held with Cuscal Limited are subject to minimal credit risk.

Interest rate risk

The Fund is exposed to interest rate risk, should short term rates vary. As the Fund is cash positive, this exposure may cause interest revenue to vary.

11. Financial instruments disclosures (continued)

Contractual undiscounted cash flows of financial liabilities

2013	At Call	3 Months or less	3 to 12 months	1 to 5 years	Over 5 years	No Maturity Specified	Total
	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities							
Other payables	-	72,449	-	-	-	-	72,449
Total	-	72,449	-	-	-	-	72,449
2012							
Financial Liabilities							
Other payables	-	73,700	4,970	-	-	-	78,670
Total	-	73,700	4,970	-	-	-	78,670

Liquidity risk management

The Fund manages liquidity risk by ensuring that its cash outgoings do not exceed its cash receipts and by maintaining a substantial cash balance, which includes effectively holding the majority of its equity in cash. Generally, all liabilities are paid within 30 days following the month in which such liabilities are incurred.

12. Related party disclosures

(a) Directors

The following persons were directors of the Trustee during the financial year:

B. Bennett (Resigned 28 August 2012)
R.B. Dowland (Resigned 28 August 2012)
P.G. Dowling
M. Sweeny
T.L. Turner (Resigned 27 August 2012)
L.M. Petschler (Appointed 9 October 2012) (Resigned 30 June 2013)

The compensation of the specified directors was nil (2012: nil).

(b) Service agreement

The Fund entered into an arrangement with Abacus – Australian Mutuals Limited whereby back office support services (such as finance and administration, information technology, human resources, building occupancy), were provided to the fund without charge.

13. Subsequent events

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

14. Additional information

The Australian Foundation for International Credit Union Development- International Projects Fund a trust formed in Australia.

The registered office and place of business are both:
Level 11, 35 Clarence Street
SYDNEY NSW 2000

Credit Union Foundation Australia Trust Fund

**CREDIT UNION FOUNDATION AUSTRALIA TRUST FUND
ANNUAL FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

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Information on Trustee

Credit Union Foundation Australia Pty Limited is the Trustee of the Credit Union Foundation Australia Trust Fund ('the Fund').

Credit Union Foundation Australia Pty Limited is a wholly owned subsidiary of Abacus – Australian Mutuals Limited and its only activity is to act as Trustee of this Fund, Credit Union Foundation Australia Grahame Mehrrens International Projects Fund, and the Credit Union Relief Fund.

Information on the Directors of Credit Union Foundation Australia Pty Limited regarding their qualifications, experience and other directorships is set out below:

Directors during the financial year

Brian Bennett Dip Com, CPA, FAMI, AIMM

Resigned 28 August 2012

Experience:

Chief Executive Officer Encompass Credit Union since 2005
32 years senior managerial experience in the Credit Union movement
Served on various industry level bodies, including Combined Financial Processing (CFP)

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Rowan Dowland GAICD AFAIM

Resigned 28 August 2012

Experience:

General Manager Development bankmecu
19 years senior management experience in mutual banking

Directorships in Other Entities:

Director, Marriott Support Services Limited

Other Declared Interests:

Nil

Peter George Dowling AM, BA(Acc), FCPA, FAICD

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Directorships in Other Entities:

Metro South Hospital and Health Services Board

TAFE Queensland

CPA Australia

Lexon Insurance

Q-COMP

Credit Union Australia

The Asset Institute

SPYRUS Pty Ltd

Virgin Blue Aircraft Leasing Subsidiaries

Other Declared Interests:

Chair of Sunshine Coast Regional Council's Audit and Risk Committee

Chair of Queensland Department of Transport and Main Roads' Audit and Risk Committee.

Chair of the Queensland Crime and Misconduct Commission Audit and Risk Committee

Member of Moreton Bay Regional Council and Redlands Council Audit and Risk Committees

Member of the Queensland Department of Energy and Water Supply Audit and Risk Committee

Queensland Honorary Consul for Botswana

Information on Trustee (continued)

Margot Sweeny B Bus, MEd, CPA, MACS, SA Fin, FAMI, JP (Chair)

Appointed 14 September 2010

Experience:

Chief Executive Officer, Summerland Credit Union

13 years credit union CEO

8 years credit union experience as credit union Deputy Chairperson and Director

Patron of the Friends of the Koalas

9 years Director of Finance and Facilities in tertiary sector

8 years lecturing in Accounting, Finance and Computing

11 years financial, accounting and computing experience in multi-national, national and small business entities

5 years as Chair of NRRDB – State Government Appointment

5 years as Secretary of NRACC – Federal Government Appointment

Member of the Future of Financial Advice FOFA 2011-(Federal Government Appointment)

2 years Northern Rivers Community Foundation – a founding member

3 years Southern Cross University Foundation

Directorships in Other Entities:

Director Abacus Australian Mutuals Limited (COBA)

Southern Cross University - Member of University Council, Chair of Finance Committee,

Deputy Chair of Audit & Risk Committee.

Director of Heathtech Pty Ltd

Therese Turner, MBA, Adv Diploma Accounting, MAMI

Resigned 27 August 2012

Experience:

Chief Executive Officer, Quay Credit Union Ltd

26 years experience in financial services industry

Directorships in Other Entities:

Director, Quay Credit Union Ltd

Other Declared Interests:

Nil

Louise Margaret Petschler BA (Hons), MAICUD

Appointed 9 October 2012

Resigned 30 June 2013

Experience:

Chief Executive Officer, Abacus-Australian Mutuals Limited

16 years experience in government and public relations

11 years experience in finance industry

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Roseanne Celeste Healy BA, MBA, Master of Business Research

Appointed 1 July 2013

Experience:

15 year experience as a Non Exec Director
10 years as a corporate advisor in strategy and sustainability
7 years strategic marketing and management CEO
2 years research and development ED
4 years business research and analysis MD

Directorships in Other Entities:

Rural Industries Research and Development Corporation
Country South SA Medical Local
Country Health SA Local Health Network Governing Council
GP Partners Australia

Other Declared Interests:

Member of Institute of Corporate Directors AICD
Member of the Public Relations Institute Australia PRIA
Special Olympics Australia
UN Women Australia
The Crawford Fund

Madeline Dermatossian GMP Dip Law

Appointed 1 July 2013

Experience:

2 years financial services industry MD and CEO, Future Plus Financial Services Pty Ltd
3 years financial services industry Deputy CEO, Future Plus Financial Services Pty Ltd
4 years financial services industry General Counsel & Company Secretary, Future Plus Financial Services Pty Ltd
6 years financial services industry Head of Legal and Company Secretary, ABN Amro Bank N.V. and BT Financial Group
6 years financial services industry Senior Counsel, Perpetual Trustees Australia Ltd
2 years financial services industry Corporate Lawyer, Advance Bank Australia Ltd
3 years Board Member, Wayside Chapel

Other Declared Interests:

Member of AICD
Member of NSW Law Society
Harvard Alumni

Hermine Scheeres BA, Grad Dip Ed, Grad Dip TESOL, MA, PHD

Appointed 1 July 2013

Experience:

20 years lecturing in social science, education, English, literacy and communications
9 years university Head of Department
Curriculum development in Australia, Mexico, and Argentina

Other Declared Interests:

Equity and Diversity Committee UTS
Chair, Cultural Diversity Committee UTS
Academic Board, Faculty Board, Courses Committees UTS
Critical Friend National Research and Development Centre in Language, Literacy and Numeracy, University of London

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W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT

To Credit Union Foundation Australia Pty Limited as Trustee of Credit Union Foundation Australia Trust Fund.

We have audited the accompanying financial report, of Credit Union Foundation Australia Trust Fund (the Fund), which comprises the Balance Sheet as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Trustee's Declaration. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2013.

Trustee's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor

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considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee, as well as evaluating the overall presentation of the financial report.

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

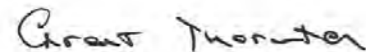
Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

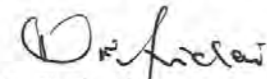
Opinion

In our opinion:

- a the financial report of Credit Union Foundation Australia Trust Fund gives a true and fair view of the Fund's financial position as at 30 June 2013 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and
- b The financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations for the year ended 30 June 2013; and
- c Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2013, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.
- d The financial report has been prepared in accordance with the ACFID Code of Conduct.



GRANT THORNTON AUDIT PTY LTD



Neville Sinclair
Partner - Audit & Assurance -

23 October 2013

Appendix A – Western Australia Charitable Collections Regulation 1947

Significant Control Requirements

The financial management and fundraising activities of the licence holder should be conducted in accordance with, but not limited to, the following provisions of the Regulations:

Financial Management

- Monies received should be banked within seven (7) days of receipt in accordance with regulation 11(a);
- An asset register should be maintained in accordance with regulation 11(c);
- Every bank account should be operated by two (2) officers of the organisation in accordance with regulation 11(d);
- Investments should be in accordance with regulation 16 of *the Charitable Collections Amendment Regulations (1998)*.

Fundraising

- Monies received from collectors and fundraisers should be paid to the licence holder within fourteen (14) days of receipt in accordance with regulation 11(b) of the Regulations;
- Receipts should be completed for all monies received;
- The Income and Expenditure Statement should be sufficiently detailed to enable identification of all charitable collections received and the manner in which the collections have been dealt with;
- Fundraising expenses (i.e. salaries, wages, commissions and any professional fundraising fees) should be disclosed separately in the accounts;
- The licence holder should be collecting monies and goods, and should be disbursing those monies and goods, in accordance with the organisation's objectives.

Credit Union Foundation Australia Trust Fund

Trustee's Declaration

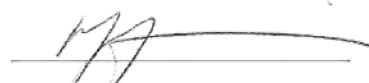
The financial report on pages 8 to 21 for the financial year ended 30 June 2013 has been prepared as required by the Trust Deed.


The auditor of the Fund, Grant Thornton Audit Pty Ltd, has been appointed by the Trustee in accordance with the Trust Deed and has conducted an audit of the financial report.

The Trustee declares that:

- a) in the Trustee's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- b) in the Trustee's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving a true and fair view of the financial position and performance of the Fund; and
- c) the Fund has been conducted in accordance with the Trust Deed and has complied with all governing law.

Signed for and on behalf of the Trustee
Credit Union Foundation Australia Pty Limited


Madeline Dermatossian
Director


Hermine Scheeres
Director

Sydney, 22 October 2013

Credit Union Foundation Australia Trust Fund

Statement of Comprehensive Income

For the financial year ended 30 June 2013

	Notes	2013 \$	2012 \$
Revenue			
Interest income		19,313	26,135
Development education fees		31,273	19,500
Other project services (Non-monetary)	3	88,800	405,018
Total revenue from ordinary activities		139,386	450,653
Expenses			
Other project services (Non-monetary)	3	88,800	405,018
Development education expenses		16,782	24,743
Administration expenses	4	-	-
Total expenses from ordinary activities		105,582	429,761
Excess of revenue over expenses from continuing operations		33,804	20,892
Other Comprehensive Income		-	-
Total Comprehensive Income		33,804	20,892

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Credit Union Foundation Australia Trust Fund

Balance Sheet

As at 30 June 2013

	Notes	2013 \$	2012 \$
Current Assets			
Cash and cash equivalents	7	277,102	242,508
Cash in term deposit		350,000	350,000
Other receivables	5	1,958	2,010
Total current assets		629,060	594,518
Current Liabilities			
Other liabilities	6	738	-
Total current liabilities		738	-
Net Assets		628,322	594,518
Equity			
Retained Earnings		471,882	438,078
Reserve - Steve Birt Endowment Fund		156,440	156,440
Total Equity		628,322	594,518

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	Retained Earnings \$	Reserve - Steve Birt Endowment Fund \$	Total equity \$
For the financial year ended 30 June 2013			
Balance at the beginning of the financial year	438,078	156,440	594,518
Total Comprehensive Income	33,804	-	33,804
Balance at the end of the financial year	471,882	156,440	628,322
For the financial year ended 30 June 2012			
Balance at the beginning of the financial year	417,186	156,440	573,626
Total Comprehensive Income	20,892	-	20,892
Balance at the end of the financial year	438,078	156,440	594,518

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

Credit Union Foundation Australia Trust Fund

Cash Flow Statement

For the financial year ended 30 June 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Interest received		19,365	26,689
Development education funding received		31,273	19,500
Development education expenditure		(16,044)	(25,560)
Administration expenses paid		-	(1,693)
Net cash provided by operating activities	7 (b)	34,594	18,936
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		34,594	18,936
Cash and cash equivalents at the beginning of the financial year		242,508	223,572
Cash and cash equivalents at the end of the financial year	7 (a)	277,102	242,508

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Note Contents

1. Adoption of new and revised accounting standards
2. Significant accounting policies
3. Other project services
4. Administration Expenses
5. Other receivables
6. Other liabilities
7. Notes to cash flow
8. Financial instruments disclosures
9. Related party disclosures
10. Subsequent events
11. Additional information

1 Adoption of new and revised Accounting Standards

In the current year, the Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Adoption of these amended standards did not have a material financial impact on the Balance Sheet, Statement of Financial Position or the results of operations.

Standards and Interpretations issued but not yet effective

At the date of approval of the financial report, the following Standards and Interpretations were on issue but not yet effective:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ' <i>Financial Instruments</i> '. Includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2015	30 June 2016

2 General information and statement of compliance

The general purpose financial statements of the Trust have been prepared in accordance with the requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Trust applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct.

The financial statements for the year ended 30 June 2013 were approved and authorised for issue by the board of directors of the Trustee on 22 October 2013.

Summary of accounting policies

a. Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

b. Revenue

Revenue comprises revenue from the sale of goods, government grants, fundraising activities and client contributions. Revenue from major products and services is shown in Note 5.

Revenue is measured by reference to the fair value of consideration received or receivable by the Trust for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Trust's different activities have been met. Details of the activity-specific recognition criteria are described below.

(i) Government grants

A number of the Trust's programs are supported by grants received from the federal, state and local governments.

If conditions are attached to a grant which must be satisfied before the Trust is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Trust obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Trust receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

(ii) Donations and bequests

Donations collected, including cash and goods for resale, are recognised as revenue when the Trust gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the Trust becomes legally entitled to the shares or property.

(iii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

c. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

d. Leases

(i) Operating leases

Where the Trust is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

e. Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(i) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Trust of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The

**Notes to the Financial Statements
For the financial year ended 30 June 2013**

Trust's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Trusts, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Trust.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Trust has the intention and ability to hold them until maturity. The Trust currently holds long term deposits designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Trust's AFS financial assets include listed securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue'

Reversals of impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

(i) Classification and subsequent measurement of financial liabilities

The Trust's financial liabilities include borrowings and trade and other payable.

**Notes to the Financial Statements
For the financial year ended 30 June 2013**

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

f. Income taxes

No provision for income tax has been raised as the Trust is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

h. Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Trust can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

i. Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Notes to the Financial Statements
For the financial year ended 30 June 2013

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

k. Economic dependence

The Trust is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

Notes to the Financial Statements
For the financial year ended 30 June 2013

	2013 \$	2012 \$
3. Other project services		
These are represented by:		
<u>Development Education</u>		
Volunteers	5,119	9,436
<u>Administration costs</u>		
Employment costs		
Abacus - Australian Mutuals Limited	33,435	195,199
Volunteer Services	2,708	44,968
Equipment, Accommodation, and Other Services		
Abacus - Australian Mutuals Limited	2,892	43,677
Cuscal Limited	44,646	111,738
Total services in kind	<u>88,800</u>	<u>405,018</u>
Volunteers' services are recognised on the basis of time spent and represents 30 days (2012: 54 days).		
4. Administration expenses		
Auditor's remuneration		
Audit of the financial report	-	-
Auditor's remuneration for the financial year ended 30 June 2013 of \$2,000 was paid by Abacus Australian Mutuals Limited		
5. Other receivables		
Sundry debtors	1,958	2,010
Total other receivables	<u>1,958</u>	<u>2,010</u>
6. Other liabilities		
Accounts payable and accrued expenses	738	-
Total other liabilities	<u>738</u>	<u>-</u>

Notes to the Financial Statements
For the financial year ended 30 June 2013

	2013 \$	2012 \$
7. Notes to cash flow		
a. Reconciliation of cash and cash equivalents		
With Cuscal Limited:		
- Cash at a Bank	42,010	7,416
- Deposits at call	235,092	235,092
Total cash and cash equivalents	<u>277,102</u>	<u>242,508</u>
b. Reconciliation of excess of revenue over expenses to net cash flow from operating activities		
Excess of revenue over disbursements for the year	33,804	20,892
Decrease/(Increase) in other receivables	52	4,277
Decrease in other liabilities	738	(6,233)
Net cash flow provided by operating activities	<u>34,594</u>	<u>18,936</u>
8. Financial instruments disclosures		
Carrying value:		
Cash at a Bank (at call)	42,010	7,416
Deposits at call	235,092	235,092
Fixed term deposit	350,000	350,000
Total carrying value	<u>627,102</u>	<u>592,508</u>

Fair Value

The Trustee considers that the carrying value of the Fund's financial instruments carried at amortised cost approximates their fair value because the application of fair value methodologies would result in only minimal changes to their carrying value, due to the short term nature of the instruments.

Notes to the Financial Statements
For the financial year ended 30 June 2013**8. Financial instruments disclosures (continued)****Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The cash balance is exposed to movements in interest rates.

A sensitivity to a 0.5% increase or decrease in interest rates on average cash balances has been used as this represents management's assessment of the possible change in interest rates. A positive number indicates an increase in profit or loss while a negative number indicates an equal and opposite impact on the profit or loss.

Sensitivity Impact	Decrease 0.5%		Increase 0.5%	
	2013	2012	2013	2012
Profit or loss	(3,136)	(2,963)	3,136	2,963

Credit risk

Cuscal Limited is an approved deposit taking institution regulated by APRA and is rated A+ (long term) and A-1 (short term) by Standard and Poor's. Accordingly, the Trustee believes that the accounts held with Cuscal Limited are subject to minimal credit risk.

Interest rate risk

The Fund is exposed to interest rate risk, should short term rates vary. As the Fund is cash positive, this exposure may cause interest revenue to vary.

Contractual undiscounted cash flows of financial liabilities

	2013						Total
	At Call	3 months or less	3 to 12 months	1 to 5 years	Over 5 years	No Maturity Specified	
	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities							
Other payables	-	738	-	-	-	-	738
Total	-	738	-	-	-	-	738
2012 Financial Liabilities							
Other payables	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Liquidity risk management

The Fund manages liquidity risk by ensuring that its cash outgoings do not exceed its cash receipts and by maintaining a substantial cash balance, which includes effectively holding all its equity in cash. Generally, all liabilities are paid within 30 days following the end of the month in which such liabilities are incurred.

9. Related party disclosures

(a) Directors

The following persons were directors of the Trustee during the financial year:

B. Bennett (Resigned 28 August 2012)
R.B. Dowland (Resigned 28 August 2012)
P.G. Dowling
M. Sweeny
T.L. Turner (Resigned 27 August 2012)
L.M. Petschler Appointed 9 October 2012)

The compensation of the specified directors was nil (2012: nil).

(b) Service Agreement

The Fund entered into an arrangement with Abacus – Australian Mutuals Limited whereby and back office support services (such as finance and administration, information technology, human resources, building occupancy), were sourced by Abacus and provided to the fund without charge.

10. Subsequent events

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

11. Additional information

Credit Union Foundation Australia Trust Fund is a trust formed in Australia.

The registered office and principal place of business are both:

Level 11, 35 Clarence Street
SYDNEY NSW 2000

Credit Union Relief Fund

ANNUAL FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Credit Union Relief Fund

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Credit Union Relief Fund

Information on the Trustee

Credit Union Foundation Australia Pty Limited is the Trustee of the Credit Union Relief Fund ('the Relief Fund'). Credit Union Foundation Australia Pty Limited is a wholly owned subsidiary of Abacus – Australian Mutuals Limited and its only activity is to act as Trustee of this Relief Fund, Credit Union Foundation Australia Trust Fund and Credit Union Foundation Australia Grahame Mehrstens International Projects Fund.

Information on the Directors of Credit Union Foundation Australia Pty Limited regarding their qualifications, experience and other directorships is set out below:

Directors during the financial year

Brian Bennett Dip Com, CPA, FAMI, AIMM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

Chief Executive Officer Encompass Credit Union since 2005

32 years senior managerial experience in the Credit Union movement

Served on various industry level bodies, including Combined Financial Processing (CFP)

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Rowan Dowland GAICD AFAIM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

General Manager Development bankmecu

19 years senior management experience in mutual banking

Directorships in Other Entities:

Director, Marriott Support Services Limited

Other Declared Interests:

Nil

Peter George Dowling AM, BA(Acc), FCPA, FAICD

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Directorships in Other Entities:

Metro South Hospital and Health Services Board

TAFE Queensland

CPA Australia

Lexon Insurance

Q-COMP

Credit Union Australia

The Asset Institute

SPYRUS Pty Ltd

Virgin Blue Aircraft Leasing Subsidiaries

Other Declared Interests:

Chair of Sunshine Coast Regional Council's Audit and Risk Committee

Chair of Queensland Department of Transport and Main Roads' Audit and Risk

Committee.

Chair of the Queensland Crime and Misconduct Commission Audit and Risk Committee

Member of Moreton Bay Regional Council and Redlands Council Audit and Risk

Committees

Credit Union Relief Fund

Member of the Queensland Department of Energy and Water Supply Audit and Risk Committee
Queensland Honorary Consul for Botswana

Margot Sweeny B Bus, MEd, CPA, MACS, SA Fin, FAMI, JP (Chair)

Appointed 14 September 2010

Experience:

Chief Executive Officer, Summerland Credit Union
13 years credit union CEO
8 years credit union experience as credit union Deputy Chairperson and Director
Patron of the Friends of the Koalas
9 years Director of Finance and Facilities in tertiary sector
8 years lecturing in Accounting, Finance and Computing
11 years financial, accounting and computing experience in multi-national, national and small business entities
5 years as Chair of NRRDB – *State Government Appointment*
5 years as Secretary of NRACC – *Federal Government Appointment*
Member of the Future of Financial Advice FOFA 2011- (*Federal Government Appointment*)
2 years Northern Rivers Community Foundation – *a founding member*
3 years Southern Cross University Foundation

Directorships in Other Entities:

Director Abacus Australian Mutuals Limited (COBA)
Southern Cross University - Member of University Council, Chair of Finance Committee, Deputy Chair of Audit & Risk Committee.
Director of Heathtech Pty Ltd

Therese Turner, MBA, Adv Diploma Accounting, MAMI

Appointed 7 December 2010

Resigned 27 August 2012

Experience:

Chief Executive Officer, Quay Credit Union Ltd
26 years experience in financial services industry

Directorships in Other Entities:

Director, Quay Credit Union Ltd

Other Declared Interests:

Nil

Louise Margaret Petschler BA (Hons), MAICUD

Appointed 9 October 2012

Resigned 30 June 2013

Experience:

Chief Executive Officer, Abacus-Australian Mutuals Limited
16 years experience in government and public relations
11 years experience in finance industry

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Credit Union Relief Fund

Roseanne Celeste Healy BA, MBA, Master of Business Research

Appointed 1 July 2013

Experience:

15 year experience as a Non Exec Director
10 years as a corporate advisor in strategy and sustainability
7 years strategic marketing and management CEO
2 years research and development ED
4 years business research and analysis MD

Directorships in Other Entities:

Rural Industries Research and Development Corporation
Country South SA Medical Local
Country Health SA Local Health Network Governing Council
GP Partners Australia

Other Declared Interests:

Member of Institute of Corporate Directors AICD
Member of the Public Relations Institute Australia PRIA
Special Olympics Australia
UN Women Australia
The Crawford Fund

Madeline Dermatossian GMP Dip Law

Appointed 1 July 2013

Experience:

2 years financial services industry MD and CEO, Future Plus Financial Services Pty Ltd
3 years financial services industry Deputy CEO, Future Plus Financial Services Pty Ltd
4 years financial services industry General Counsel & Company Secretary, Future Plus Financial Services Pty Ltd
6 years financial services industry Head of Legal and Company Secretary, ABN Amro Bank N.V. and BT Financial Group
6 years financial services industry Senior Counsel, Perpetual Trustees Australia Ltd
2 years financial services industry Corporate Lawyer, Advance Bank Australia Ltd
3 years Board Member, Wayside Chapel

Other Declared Interests:

Member of AICD
Member of NSW Law Society
Harvard Alumni

Hermine Scheeres BA, Grad Dip Ed, Grad Dip TESOL, MA, PHD

Appointed 1 July 2013

Experience:

20 years lecturing in social science, education, English, literacy and communications
9 years university Head of Department
Curriculum development in Australia, Mexico, and Argentina

Other Declared Interests:

Equity and Diversity Committee UTS
Chair, Cultural Diversity Committee UTS
Academic Board, Faculty Board, Courses Committees UTS
Critical Friend National Research and Development Centre in Language, Literacy and Numeracy, University of London

Grant Thornton Audit Pty Ltd
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W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT

To Credit Union Foundation Australia Pty Limited as Trustee of Credit Union Foundation Australia Relief Fund.

We have audited the accompanying financial report, of Credit Union Foundation Australia Relief Fund (the Fund), which comprises the Balance Sheet as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Trustee's Declaration. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2013.

Trustee's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor

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considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee, as well as evaluating the overall presentation of the financial report.

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

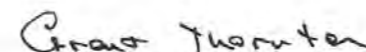
Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

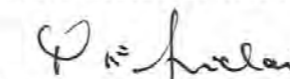
Opinion

In our opinion:

- a the financial report of Credit Union Foundation Australia Relief Fund gives a true and fair view of the Fund's financial position as at 30 June 2013 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and
- b The financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations for the year ended 30 June 2013; and
- c Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2013, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.
- d The financial report has been prepared in accordance with the ACFID Code of Conduct.



GRANT THORNTON AUDIT PTY LTD



Neville Sinclair
Partner - Audit & Assurance -

23 October 2013

Appendix A – Western Australia Charitable Collections Regulation 1947

Significant Control Requirements

The financial management and fundraising activities of the licence holder should be conducted in accordance with, but not limited to, the following provisions of the Regulations:

Financial Management

- Monies received should be banked within seven (7) days of receipt in accordance with regulation 11(a);
- An asset register should be maintained in accordance with regulation 11(c);
- Every bank account should be operated by two (2) officers of the organisation in accordance with regulation 11(d);
- Investments should be in accordance with regulation 16 of the Charitable Collections Amendment Regulations (1998).

Fundraising

- Monies received from collectors and fundraisers should be paid to the licence holder within fourteen (14) days of receipt in accordance with regulation 11(b) of the Regulations;
- Receipts should be completed for all monies received;
- The Income and Expenditure Statement should be sufficiently detailed to enable identification of all charitable collections received and the manner in which the collections have been dealt with;
- Fundraising expenses (i.e. salaries, wages, commissions and any professional fundraising fees) should be disclosed separately in the accounts;
- The licence holder should be collecting monies and goods, and should be disbursing those monies and goods, in accordance with the organisation's objectives.

Credit Union Relief Fund

Credit Union Relief Fund

Trustee's Declaration

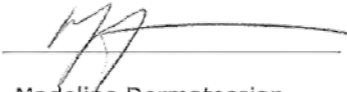
The financial report on pages 8 to 18 for the financial year ended 30 June 2013 has been prepared as required by the Trust Deed.


The auditor of the Relief Fund, Grant Thornton Audit Pty Ltd, has been appointed by the Trustee in accordance with the Trust Deed and has conducted an audit of the financial report.

The Trustee declares that:

- a) in the Trustee's opinion, there are reasonable grounds to believe that the Relief Fund will be able to pay its debts as and when they become due and payable;
- b) in the Trustee's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving a true and fair view of the financial position and performance of the Relief Fund; and
- c) the Relief Fund has been conducted in accordance with the Trust Deed and has complied with all governing law.

Signed for and on behalf of the Trustee
Credit Union Foundation Australia Pty Limited


Madeline Dermatossian
Director


Hermine Scheeres
Director

Sydney, 22 October 2013

Credit Union Relief Fund

Credit Union Relief Fund

Statement of Comprehensive Income

For the financial year ended 30 June 2013

	2013 \$	2012 \$
Revenue		
Interest earned	3	-
Total revenue from ordinary activities	<u>3</u>	
Expenses		
Administration expense	-	-
Total expenses from ordinary activities	<u>-</u>	<u>-</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>
Total Comprehensive Income	<u><u>3</u></u>	<u><u>-</u></u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Credit Union Relief Fund

Credit Union Relief Fund

Balance Sheet

As at 30 June 2013

	2013 \$	2012 \$
Current Assets		
Cash on hand	103	100
Total Current Assets	<u>103</u>	<u>100</u>
Net Assets	<u>103</u>	<u>100</u>
Equity		
Settled funds	100	100
Accumulated Funds	3	-
Total Equity	<u>103</u>	<u>100</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	\$	\$	\$
For the financial year ended 30 June 2013	Accumulated Funds	Settled Funds	Total
Settled Funds		100	100
Total Comprehensive Income	3		3
Balance at the end of the financial year	<u>3</u>	<u>100</u>	<u>103</u>
For the financial year ended 30 June 2012	Accumulated Funds	Settled Funds	Total
Settled Funds		100	100
Total Comprehensive Income	-	-	-
Balance at the end of the financial year	<u>-</u>	<u>100</u>	<u>100</u>

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

Credit Union Relief Fund

Credit Union Relief Fund

Cash Flow Statement

For the financial year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Interest received		3	-
Administration expenses		-	-
		<hr/>	<hr/>
Net cash provided by operating activities		3	-
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
		<hr/>	<hr/>
Net increase in cash and cash equivalents		3	-
Cash and cash equivalents at the beginning of the financial year		100	100
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	4	103	100

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Credit Union Relief Fund

Notes to the Financial Statements
For the financial year ended 30 June 2013

Note Contents

1. Adoption of new and revised accounting standards
2. Significant accounting policies
3. Auditor's remuneration
4. Financial instruments disclosures
5. Related party disclosures
6. Subsequent events
7. Additional information

1. Adoption of new and revised Accounting Standards

In the current year, the Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Adoption of these amended standards did not have a material financial impact on the Balance Sheet, Statement of Financial Position or the results of operations.

Standards and Interpretations issued but not yet effective

At the date of approval of the financial report, the following Standards and Interpretations were on issue but not yet effective:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments'. Includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2015	30 June 2016

2. Significant accounting policies**General Information and Statement of Compliance**

The general purpose financial statements of the Trust have been prepared in accordance with the requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Trust applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct.

The financial statements for the year ended 30 June 2013 were approved and authorised for issue by the board of directors of the Trustee on 21 October 2013.

Summary of accounting policies**a. Overall considerations**

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

b. Revenue

Revenue comprises revenue from the sale of goods, government grants, fundraising activities and client contributions.

Revenue is measured by reference to the fair value of consideration received or receivable by the Trust for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Trust's different activities have been met. Details of the activity-specific recognition criteria are described below.

(i) Government Grants

A number of the Trust's programs are supported by grants received from the federal, state and local governments.

If conditions are attached to a grant which must be satisfied before the Trust is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Trust obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Trust receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

(ii) Donations and Bequests

Donations collected, including cash and goods for resale, are recognised as revenue when the Trust gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being

the market value of the shares or property at the date the Trust becomes legally entitled to the shares or property.

(iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

c. Operating Expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

d. Leases

(i) Operating Leases

Where the Trust is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

e. Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(i) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a Trust of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Trust's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Trusts, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Trust.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Trust has the intention and ability to hold them until maturity. The Trust currently holds long term deposits designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Trust's AFS financial assets include listed securities.

All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue' (see Note 4.3).

Notes to the Financial Statements
For the financial year ended 30 June 2013

Reversals of impairment losses are recognised in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

(ii) Classification and subsequent measurement of financial liabilities

The Trust's financial liabilities include borrowings and trade and other payable. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

f. Income taxes

No provision for income tax has been raised as the Trust is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

h. Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Trust can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

i. Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

Notes to the Financial Statements
For the financial year ended 30 June 2013

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

k. Economic Dependence

The Trust is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

	2013 \$	2012 \$
3. Auditor's remuneration		
Auditor's remuneration	-	-

Auditor's remuneration for the financial year ended 30 June 2013 of \$1,000 was paid by Abacus Australian Mutuals Limited

	2013 \$	2012 \$
4. Financial instruments disclosures		
Carrying value:		
Cash on hand	103	100

Fair value:

The Trustee considers that the carrying value of the Relief Fund's financial instruments carried at amortised cost approximates their fair value because the application of fair value methodologies would result in only minimal changes to their carrying value, due to the short-term nature of the instruments.

Credit risk

During the financial year the Fund held its cash on deposit with Cuscal Limited. Cuscal Limited is an approved deposit taking institution regulated by APRA and is rated A+ (long term) and A-1 (short term) by Standard and Poor's. Accordingly, the Trustee believes that the accounts held with Cuscal Limited are subject to minimal credit risk.

Interest rate risk

The Fund was not exposed to interest rate risk during the financial year.

Liquidity risk management

The Relief Fund manages liquidity risk by ensuring that its cash outgoings do not exceed its cash receipts.

5. Related party disclosures

(a) Directors

The following persons were directors of the Trustee during the financial year:

B. Bennett (Resigned 28 August 2012)
R.B. Dowland (Resigned 28 August 2012)
P.G. Dowling
M. Sweeny
T.L. Turner (Resigned 27 August 2012)
L.M. Petschler (Appointed 9 October 2012) Resigned 30 June 2013

The compensation of the specified directors was nil (2012: nil).

(b) Service agreement

The Fund has entered into an arrangement with Abacus – Australian Mutuals Limited whereby back office support services (such as finance and administration, information technology, human resources, building occupancy), are sourced by Abacus and were provided to the fund without charge.

6. Subsequent events

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

7. Additional information

Credit Union Relief Fund is a trust formed in Australia.

The registered office and principal place of business are both:

Level 11, 35 Clarence Street
SYDNEY NSW 2000



Developing People



CUFA

Strengthening Communities

Suite 1 - Level 11, 35 Clarence Street
Sydney NSW 2000

Phone: +61 1300 490 467

Website: www.cufa.com.au