



CUFA ANNUAL REPORT

2013-14

Developing People
Strengthening Communities

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Australian Government
Department of Foreign Affairs and Trade

The Department of Foreign Affairs and Trade (DFAT) is the Australian Government agency responsible for managing Australia's overseas aid program. Australia's aid program aims to help developing countries reduce poverty and achieve sustainable development. In 2013-14, the Australian Government contributed funding towards CUFA's programs in Cambodia, Myanmar and Timor-Leste as well as in the Pacific region.



ACFID
MEMBER

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 complaints@acfid.asn.au or telephone 02 6281 9222 to speak to the Code and Management Team.

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





Photo courtesy of World Council of Credit Unions



MESSAGE FROM THE CHAIR

It has been an exciting year for CUFA with a number of changes and expansion. One of our key successes from the 2013-14 year has been our transition from being a subsidiary of Customer Owned Banking Association to becoming an independent development organisation.

While staying true to our roots of financial inclusion and cooperative development this transition raises our potential to expand and develop new and innovative programs. This has also enabled us to gain a number of new corporate sponsorships and in-kind donors from various parts of the financial sector.

Looking to the future we are excited as we begin the development of a complete approach to our livelihoods methodology. Strategically, we will be looking at ways that we can enrich the lives of beneficiaries in the Asia Pacific through igniting local employment opportunities. In essence, this will complete the circle of our financial livelihoods programmatic portfolio, an objective we are passionately aspiring towards.

CUFA has a new three year strategic plan and with the turn of independence we have undergone an important review of our mission and vision. You will find these refreshed statements reflected on our website as well as in the annual report.

My hope, as you read our program outlines and hear the stories from people and communities, is that you too will embrace the vision of economic development and self-determination in relieving people from poverty across the Asia Pacific.

Margot Sweeny



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

It has been a busy 2013-14 financial year for CUFA. Correlating with our transition to independence we have recently launched a new website and with this a new look and feel for the CUFA brand. The new website is easy to navigate and enables supporters to swiftly donate towards our programs, register for a Leadership Challenge, apply for a scholarship, amongst a myriad of other things.

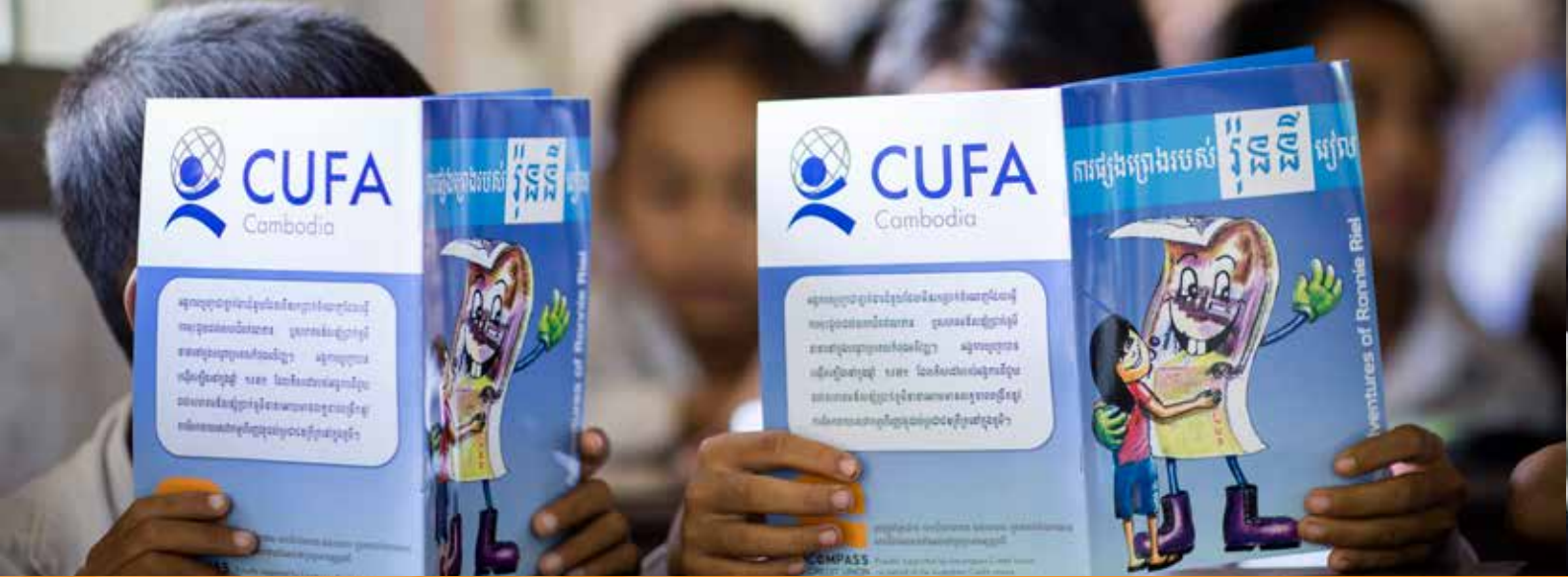
Operationally, we have successfully initiated a number of support services including a new accounting department, IT, graphic design and administration teams. We have also undertaken a number of successful project evaluations in the 2013-14 financial year in Myanmar, Pacific, Cambodia and Timor-Leste.

On the forefront, we have gained registration in Myanmar. This will allow us to further our operations and implement an in-country office rather than assisting under the umbrella of a partner organisation. We will also be piloting a new project in Bangladesh and we are particularly excited about the potential for CUFA to enrich lives and help people to achieve self-determination in what is one of the most economically disadvantaged countries of the Asia Pacific.

One of my most memorable highlights from the last year has been connecting with Wes Anderson, the recipient of this year's Kevin Yates Award. Wes and I had the chance to attend the Russian Credit Union Leagues' 20 year anniversary in Sochi, Russia and reconnect on the different ways we have been contributing to cooperative development around the world. It was inspiring to see the development that has been achieved in Russia over the last 20 years.

To our supporters, I want to wish a happy and prosperous 2014-15 year. We could not have achieved such great heights of success without your continued support and I look forward to partnering together in the year ahead, as together we work to improve the lives of those living on less than \$2 a day in communities across the Asia Pacific region.

Peter Mason



WHO WE ARE



supports and assists financial cooperatives throughout the Asia Pacific, working towards our goal of providing a brighter future for communities in our neighbouring region.

Our vision: For communities of the Asia Pacific region to be free of poverty through economic development and self-determination.

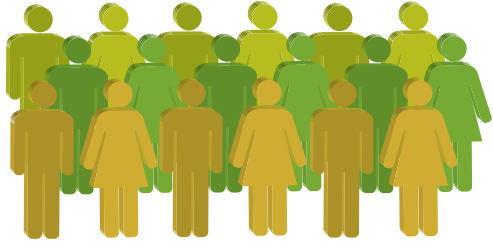
Our mission: To fulfil our mission we facilitate the development of economic capacity through education, employment and enterprise opportunities to build community self-reliance.

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 status. In fact, CUFA works cooperatively to actively include these groups, provide them with a voice and empower them.

Our history

CUFA has 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



4,000,000+
direct and indirect beneficiaries across
CUFA projects in 14 countries



OUR WORK

How we combat poverty

CUFA operates with the goal of helping people lift themselves out of poverty in the Asia Pacific region. Instead of giving handouts we work to provide the skills, knowledge and resources required for people to break out of poverty whilst offering ongoing support.

We combat poverty by building and promoting the development of sustainable financial cooperatives throughout the Asia Pacific as well as teaching people how to manage their money and equipping them with skills and resources so they can save for a brighter future. In this way we help alleviate poverty in some of the poorest communities of our neighbouring region.

Our unique development approach starts with building capacity of the individual, with its resulting impact extending to the whole community. Instead of just giving money, CUFA teaches people how to use it. We help entrepreneurs to develop sustainable micro-businesses, providing employment opportunities and retaining income within the village.

Building financial cooperatives

We build, develop and promote grassroots financial cooperatives across the Asia Pacific. By providing these communities with access to financial services, we give people a safe place to save their money and take out loans, helping them to create a better future.

Financial education

Rather than simply providing people with money, we teach them how to use it wisely.



Photo courtesy of Co-operative Association Cambodia

Micro-business development

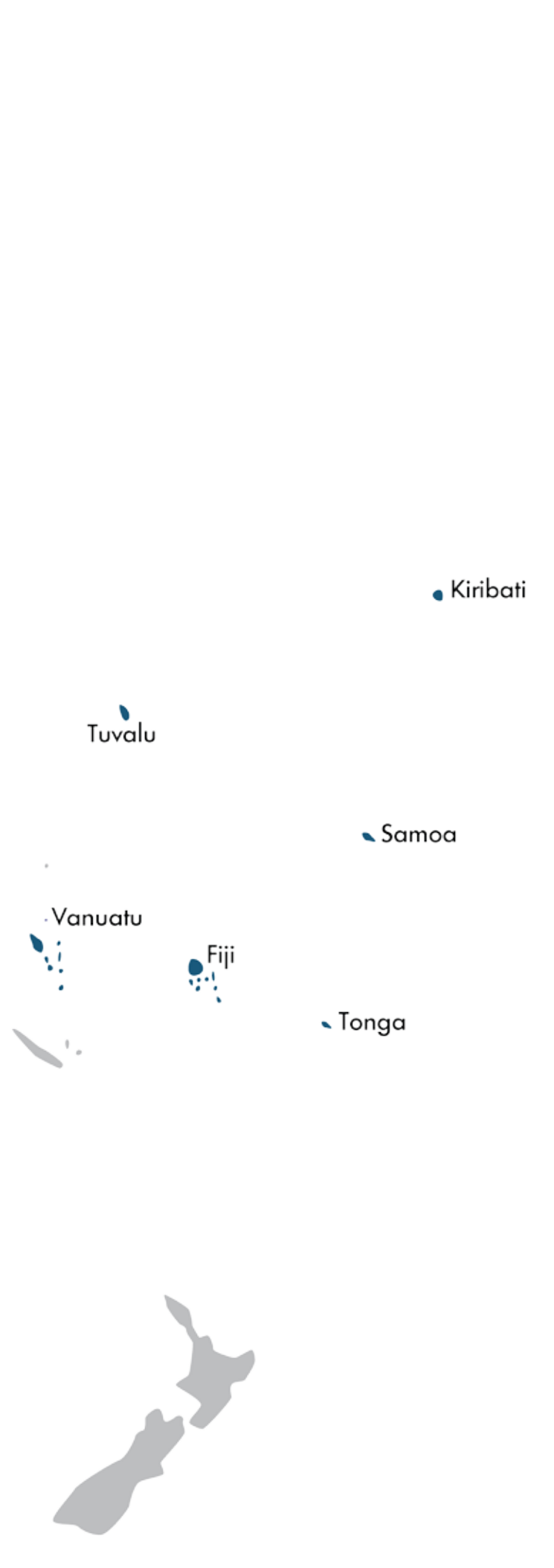
Our Village Entrepreneur Program is all about helping the poor to help themselves achieve a better life through starting a micro-business.

Gender and disability inclusion

Empowering men and women to be able to access financial services regardless of gender, disability or ethnicity.

WHERE WE WORK





Australia

1. Development Education
2. Supporting Indigenous Credit Union Staff

Cambodia

1. Children's Financial Literacy Project
2. Village Entrepreneur Program
3. Reaching Independent Economic Livelihoods (RIEL) Project
4. Model Credit Union Development Project
5. Credit Union Outreach Project
6. Cambodia Leadership Challenge

Timor-Leste

1. Village Entrepreneur Program
2. Model Credit Union Development Project
3. Credit Union Outreach Project
4. Timor-Leste Leadership Challenge

Pacific Islands

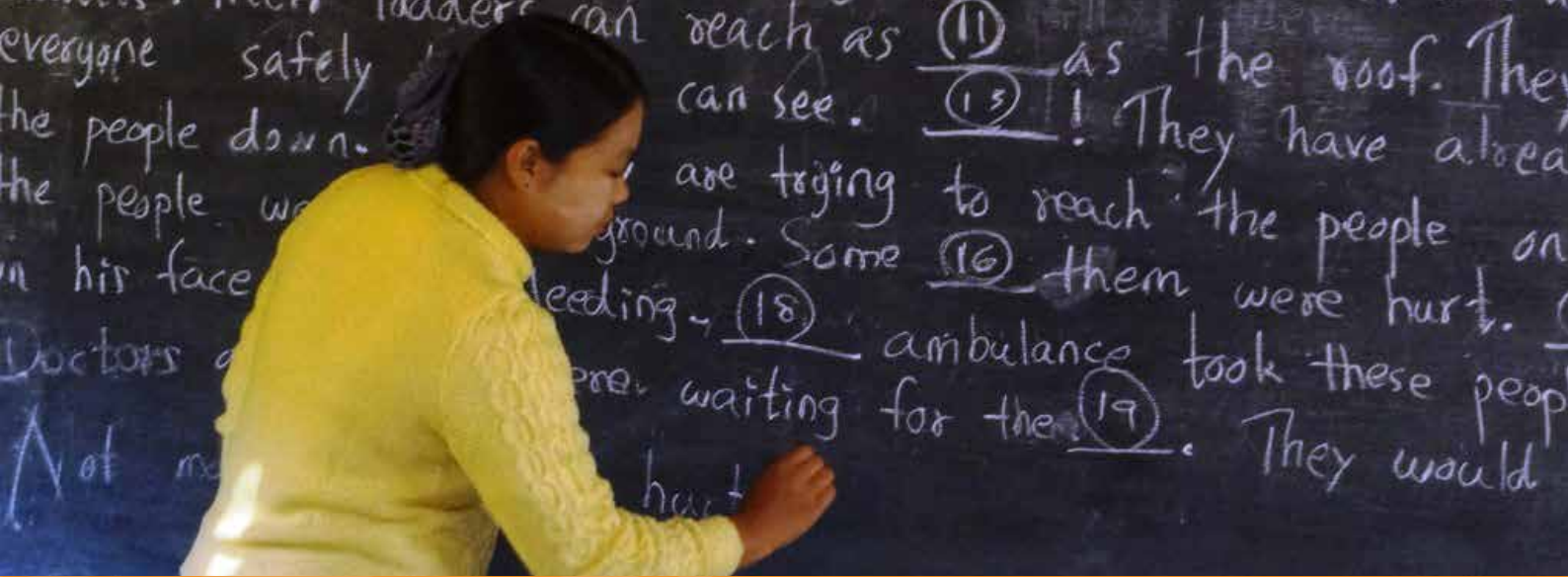
1. Fiji Leadership Challenge
2. Oceania Confederation of Credit Union Leagues
3. Pacific Credit Union Technical Congress
4. Technical Assistance to OCCUL Members

Myanmar

1. Teacher's Project
2. Credit Union Outreach Project

Phillipines

1. Typhoon Haiyan Appeal



OUR PROJECTS



Building Institutional Capacity Program

Model Credit Union Development Project

Now in its third year, the Model Credit Union Development Project helps to build, develop and promote grass-root financial cooperatives in rural Cambodian and Timorese communities that previously had no access to financial services.

This year our project staff delivered 1,151 workshops in Cambodia and Timor-Leste to help communities establish model credit unions. As a result of the training financial cooperatives in both Cambodia and Timor-Leste have seen tremendous growth in both membership and savings.

For the first time, members now have the ability to borrow money, with financial cooperatives now offering loan products, an important step in helping families lift themselves out of poverty.

By providing these communities with access to financial services, we give people a safe place to save their money and take out loans, helping them to create a better future.



Number of members
grew by **311%** in Cambodia



OUR PROJECTS

With your support, this is what we achieved in 2013-14:

CAMBODIA

- Helped develop 21 financial cooperatives in four provinces, with dramatic increases in the past year in membership: 311% and savings: 664%.
- Created the opportunity for 137 people who previously had no access to financial services to receive loans; helping them to grow their income, build or expand their micro-businesses, assist their children's education as well as gain greater access to health care services.
- 65% of the 972 member passbooks issued were to women, empowering them to be part of the financial decision making process, gain an understanding of money and have access to training and support.
- Delivered 161 financial literacy training sessions to 632 people, enabling them to make more informed financial decisions for their families.

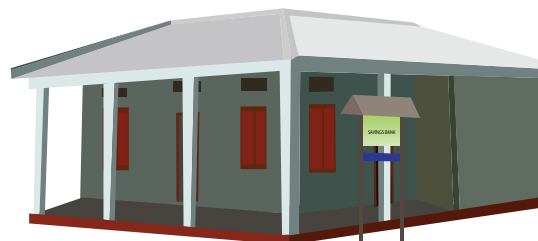


664%

Increase in member savings in Cambodia

TIMOR-LESTE

- Supported 12 financial cooperatives and 288 members who previously had no access to financial services to grow their savings, with a 229% increase in all member savings over the past year.
- 81 people who previously had no access to borrow money were provided the opportunity to receive a loan, helping them to improve their families income and increase their savings.
- Continued to encourage community members to join their local financial cooperative to save towards their financial goals and promoted the benefits of the financial cooperative which achieved a 21% increase in members.
- Delivered 468 workshops and meetings that focused on building trust, increasing financial knowledge and growing operational capacity.



229%

Increase in member savings in Timor-Leste



OUR PROJECTS

Credit Union Outreach Project

We believe that by teaching people how to manage their money and providing access to sustainable financial services they can save for a brighter future. Our Credit Union Outreach Project is supporting existing financial cooperatives in Cambodia, Myanmar and Timor-Leste to have improved sustainable financial management, governance and operational processes by providing tailored support and training programs.



CAMBODIA

- Delivered in partnership with the Co-operative Association of Cambodia tailored training to 40 financial cooperatives to help develop their operational best practice across six areas: good governance, savings and membership mobilisation, managing delinquency, roles and responsibilities of committee members, loan application practices and bookkeeping skills.
- Across all financial cooperatives, there was a 7% increase in membership from 10,240 to 10,949 members and a 17% increase in overall savings demonstrating a strong trust for the financial cooperatives and their ability to improve their financial transparency to members.
- Provided governance training to 432 committee members, supporting them to operate more transparent and democratic financial cooperatives, as a result 80% of supported financial cooperatives held annual general meetings, demonstrating enhanced transparency and accountability to members.



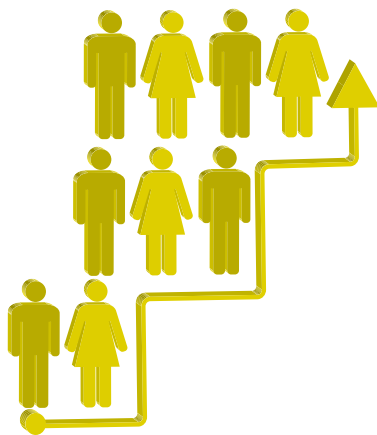
Member savings
increased by **17%** in Cambodia



OUR PROJECTS

TIMOR-LESTE

- Provided support to 23 financial cooperatives, delivering training in eight key areas: savings mobilisation, leadership, good governance, micro-enterprise, loan processes, dividend calculations, account keeping and monthly interest allocations, resulting in a 13% increase in membership.
- Provided 688 men and women with accounting and bookkeeping training, helping them introduce more complex accounting systems into their financial cooperatives.
- Supported 150 board and committee members with leadership and financial literacy education training. As result of the training 100% of supported financial cooperatives held an annual general meeting, allowing the project beneficiaries to reap the value of a more financially accountable, transparent and well managed local financial cooperative.



4,789 financial cooperative members in Timor-Leste

MYANMAR

- Six project staff, together with 20 Community Cluster Facilitators provided support to 375 grass-root financial cooperatives in 36 townships with bookkeeping and accounting training and saving and membership strategies.
- The project is empowering men and women and those with a disability, living in rural communities in the Shan state, by enabling them to become financially independent.
- 139,946 men and women, including 3,918 people with a disability, were provided with a safe place to save their money and the opportunity to take out loans to improve their livelihoods.



OUR PROJECTS



Myanmar Teacher's Project

The Myanmar Teacher's Project is a three year project that aims to help teachers working and living in the Shan region in Myanmar by generating interest from funds provided to six financial cooperatives to increase their loan pools.

Working with a network of Buddhist monks and nuns, CUFA in collaboration with the Teachers Mutual Bank, Victoria Teachers Mutual Bank and QT Mutual Bank is implementing a sustainable strategy for supplementing teacher's salaries in order to work towards increasing their salary to a livable wage.

Together with a network of Buddhist monks and nuns, CUFA encourages savings, membership increases and creates opportunities for loans. Interest generated from the loans is distributed to supplement the wages for 160 teachers, providing a free education for children in the local community.

In the past year, the project supported 10 women and five men to receive loans to support the expansion of their micro-businesses. The loans have helped build and develop watermelon farms, herb medicine businesses, motorcycle workshops and chicken farms.

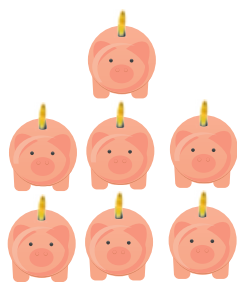


OUR PROJECTS

Children's Financial Literacy Project Cambodia

Financial literacy is all about being smart with our money, making wise decisions about spending, savings, managing our personal debt and planning for our future. For many children across the Asia Pacific, these valuable lessons are not taught, thus contributing to the cycle of poverty. Our Children's Financial Literacy Project provides the opportunity for children living in poverty to create a brighter future for themselves and their families.

Since 2008 CUFA has provided more than 59,000 Cambodian students with financial education lessons, educating them on the importance of savings and encouraging them to develop good savings habits from a young age.



7,094 children
increased their savings

Key achievements from 2013-14 include:

- Delivered financial literacy classes to 12,248 children through 1,795 lessons in 359 classrooms to 43 primary schools. The children learnt about money, income sources, savings, budgeting, financial goals and their local credit union.

- Encouraged 7,094 children to increase their savings, a 49% increase from 2012-13.
- Conducted four study tours, providing 722 children the opportunity learn more about their local financial cooperatives operations and to meet with the manager to learn more about savings, budgets and short and long term financial goals.
- Trained 441 primary school teachers and principals to deliver the financial literacy educational program, ensuring that the program becomes sustainable.





OUR PROJECTS

RIEL Project - Cambodia

The 'Reaching an Independent Economic Life' (RIEL) Project delivers face-to-face field support to families who have been resettled due to the rehabilitation of the Cambodian railways in Phnom Penh, Battambang, Pursat, Poi Pet and Sihanoukville.

CUFA, with the Australian Aid program is supporting families through increased access to financial training and financial counselling as well as supporting those who have entered into unaffordable and unserviceable loans, with the aim of helping them to break the cycle of debt.

In 2013-14 our project officers continued to help resettled communities to increase their understanding of basic financial concepts, providing them with the tools and knowledge to better manage their money.



76% of families reduced their debt levels

Key achievements of 2013-14 include:

- Delivered 933 hours of one-to-one financial counselling sessions as well as 193 financial helpline sessions, helping 285 families to reduce their debt levels over the past 12 months.

- Delivered 991 training sessions to 375 households to assist them in developing family budgets, managing debt repayments, setting financial goals and sensible borrowing, resulting in 353 families preparing a household budget.
- Provided the opportunity for two men and five women who have been resettled to be supported under CUFA's Village Entrepreneur Program.





OUR PROJECTS

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

This project supports the Oceania Confederation of Credit Union Leagues to develop into a sustainable peak body that can provide a voice to unify and strengthen the credit union movements across the Pacific region, which will in turn improve the livelihood of Pacific communities through access to high quality and affordable financial services.

Through the delivery of membership services and technical assistance, OCCUL's Secretariat Office provides credit unions in the Pacific the opportunity to network, gain professional development, receive technical assistance, as well the sharing of information within the region.

Now in its fourth year, OCCUL has attained substantial achievements with few resources in its short history. Highlights of 2013-14 include:

- Delivered 72 days technical assistance and support to six Pacific Island countries and credit union movements, in areas where an estimated 70%* of Pacific Islanders do not have access to basic financial services; assisting them to build their operational capacity and implement new systems and processes to help them operate their credit unions more efficiently and effectively.
- Distributed a bi-monthly newsletter to a readership of 241 people in relation to information sharing, organisational performance, as well as governance and technical assistance advice.

- Facilitated an Australian credit union professional to volunteer in Timor-Leste to share strategies and skills in relation to savings and member mobilisation; that helped the movement to increase their membership by 50%.
- Provided professional and personal development opportunities to 114 professionals from 11 countries to attend OCCUL's flagship activity, the Pacific Credit Union Technical Congress, including assisting 15 delegates to receive support from the Australian Aid Program's International Seminar Support Scheme and 24 World Council of Credit Unions supported Manager Certification Participants.
- Supported Mesenieng Credit Union in the Federated States of Micronesia over the past two years to move from a paper-based to an electronic accounting system. This has assisted the credit union to update their information system to better capture data for more transparent and comprehensive financial reporting.



34 members from **12** nations from across the Pacific region represented OCCUL

* UNDP Pacific Centre (2013)



OUR PROJECTS

Village Entrepreneur Program - Cambodia and Timor-Leste

CUFA's Village Entrepreneur Program operates in Cambodia and Timor-Leste, providing the poorest of the poor with the skills and resources to help them build and develop a sustainable micro-business.

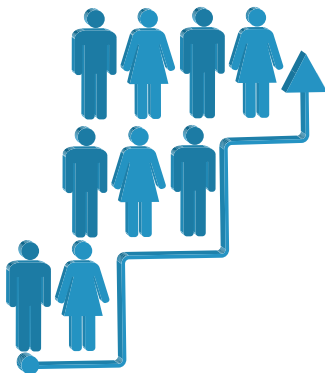
The ultimate goal of the program is to provide the opportunity for financial cooperative members in rural Cambodia or Timor-Leste who are too poor to qualify for a loan to start or expand a micro-business so they can help lift their family out of poverty.

Through the generosity of Community Investors, the Village Entrepreneurs receive financial support as well as business skills training each quarter. The aim is for their business to grow and to become a sustainable source of income for themselves and their family within three years.

The profits earned by the Village Entrepreneurs have been used to pay for their children's school expenses, provide necessities like health care for their families, repair their houses and donate money to their communities to help build services such as water and sanitation facilities for their village. They are also able to make regular contributions to their savings accounts to help their families save for the future which in turn increases the loan pool for other members of their financial cooperatives.



1,133 business progress reports sent to Community Investors



Number of Community Investors increased by **32 %**



OUR PROJECTS

Thanks to the support of our Community Investors, our Village Entrepreneur Program is continuing to grow and offering the opportunity for more people to develop or expand their micro-businesses. Key highlights and figures from 2013-14 include:

- Over the past year the program has had a 17% increase in the number of Village Entrepreneurs being supported, with the average family income increasing by 38%.
- 78% of our Village Entrepreneurs are women and 9% have a disability.
- On average each Village Entrepreneur is 40 years old when they join the program and their micro-business supports on average a household of six people.



Average family income increased by **38%**



Bread Baker



Chicken Raiser



Vegetable & Fruit Seller



Carpenter



Pig Raiser



Flat Basket Maker



Second-hand Goods Collector



Fisherman



OUR PEOPLE

Without our team of dedicated staff, Board and volunteers in Australia, Cambodia, Fiji, Myanmar and Timor-Leste we would not be able to deliver our training and development programs that reach to improve lives across the Asia Pacific region.

All our international offices and projects are staffed by local people, who are best placed to strengthen and sustain local systems and communities.



More than **1,600** hours contributed by our volunteers



Our staff have over **260** years of collective international development experience



THANK YOU

Our work would not be possible without the generous support from the Australian Government, our members, and a range of corporate donors, mutuals and individual donors. Without your support we would not be able to deliver the sustainable development programs that have reached over four million people and changed so many lives across the Asia Pacific region.

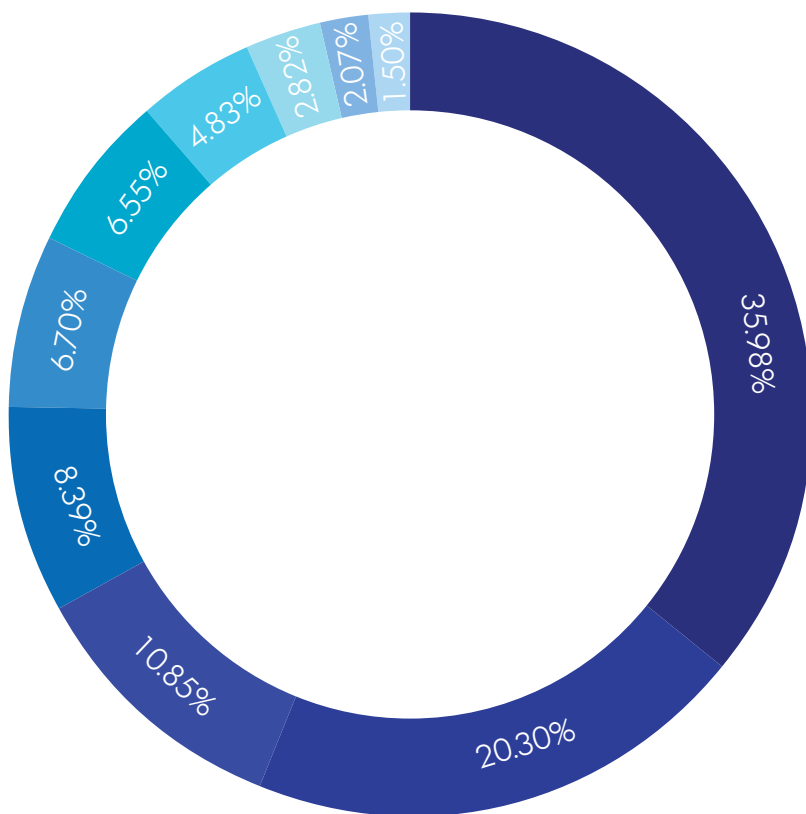
We would like to extend a special thanks to our in-country partners, Community Investors, Challenger participants, Australian and overseas volunteers and community members within our project sites.





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.

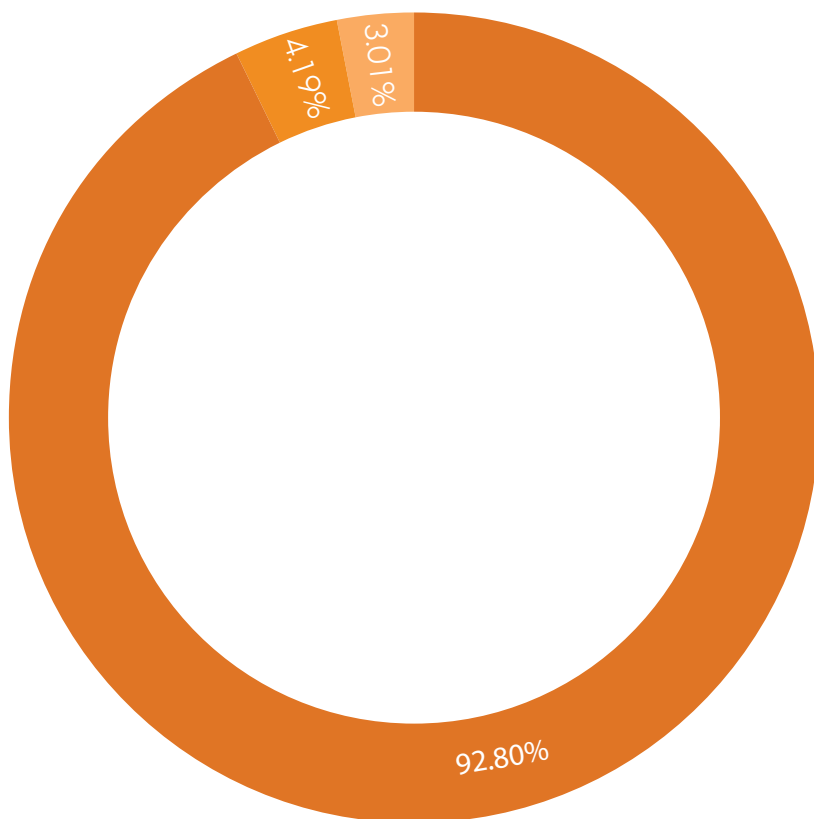


How we raised our funds in 2013 -14

- DFAT ANCP Funding
- Donations - Corporate
- Donations - Mutual
- DFAT RIEL Project
- Direct Funding Contribution
- Events
- Donations - Individuals
- Other
- Appeals
- Other Trusts and Funds



SUMMARY OF FINANCIAL STATEMENTS



How we spent our funds in 2013 -14

- International Programs
- Administration Costs
- Fundraising Costs

APPENDIX: FINANCIAL STATEMENTS

CUFA International Projects Fund

**THE AUSTRALIAN FOUNDATION FOR INTERNATIONAL CREDIT UNION
DEVELOPMENT – INTERNATIONAL PROJECTS
ABN 12 217 831 154**

**ANNUAL FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

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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 International Projects Fund'). Its only activity is to act as Trustee of this International Projects Fund, the Credit Union Relief Fund and the CUFA Trust 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

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

Appointed 14 September 2010

Experience:

Chief Executive Officer, Summerland Credit Union

14 years credit union CEO

8 years credit union experience as credit union Deputy Chairperson and Director Patron of Friends of the Koala, Inc

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 Healthtech Pty Ltd

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

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Awarded The Centenary of Federation Medal in the General List by the Governor-General in 2001 for contribution to accounting

Made a Member of the Order of Australia (AM) in the General Division on Australia Day

2007 for service to accountancy and the community

Awarded a Commendation from the Faculty of Business, Government and Law in the 2013

University of Canberra Distinguished Alumni Awards

Directorships in Other Entities:

Metro South Hospital and Health Services Board

TAFE Queensland

CPA Australia Ltd

Lexon Insurance

WorkCover Queensland

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 Queensland Crime and Misconduct Commission Audit and Risk Committee

Chair of Queensland Department of Energy and Water Supply Audit and Risk Committee

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

Queensland Honorary Consul for Botswana.

Roseanne Celeste Healy BA (Economics), MBA, MBR (Strategy)

Appointed 1 July 2013

Experience:

15 years experience as a Non-Executive Director
10 years Corporate advisor in strategy and sustainability
7 years Chief Executive Officer, State promotion and development
2 years Executive Director, Research and Development
4 years Managing Director, Business analytics

Directorships in Other Entities:

Rural Industries Research and Development Corporation and Chair of the Audit and Risk Committee

Country South SA Medical Local and Chair of the Audit and Risk Committee

Country Health SA Local Health Network Governing Council

GP Partners Australia and Chair of the Audit and Risk Committee

HomeStart Finance

Frankston Regional Aquatic Centre Pty Ltd (Chair)

Other Declared Interests:

Member of Institute of Corporate Directors AICD

Special Olympics Australia

UN Women Australia

The Crawford Fund

Centre for Social Impact

Madeline Dermatosian GMP Dip Law

Appointed 1 July 2013

Experience:

1 year financial services industry, Chief Operating Officer, Defence Housing Australia

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 university lecturing in culture and diversity, adult education, workplace learning, literacy and communication

15 years research in workplace and organisational communication and culture

9 years university management positions and chair of range of Committees

14 years experience in management and teaching positions in FAFE NSW

Curriculum development in Australia, Mexico, and Argentina

Advisory and Board experience in industry and government departments on workplace learning and communication

Other Declared Interests:

Nil



Independent auditor's report to the members of the Australian Foundation for International Credit Union Development – International Projects

Report on the financial report

We have audited the accompanying financial report of the Australian Foundation for International Credit Union Development – International Projects (the Entity), which comprises the balance sheet as at 30 June 2014, and statement of comprehensive income, statement of changes in equity and cash flows statement for the year ended on that date, notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information and trustees' declaration of the Entity.

This audit report has also been prepared for the members of the Entity in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* (ACNC) and Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946 and Regulations 1947* (collectively the Acts and Regulations).

Directors' responsibility for the financial report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards and the ACNC, a true and fair view which is consistent with our understanding of the Entity's financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Entity to meet the requirements of the Acts and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012. We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the directors of the Australian Foundation for International Credit Union Development – International Projects on 5 September 2014, would be in the same terms if given to the directors as at the time of this auditor’s report.

Basis for qualified auditor’s opinion

Fundraising revenue in the form of cash and cheque donations are a significant source of fundraising revenue for the Entity. The entity has determined that it is impracticable to establish controls over the collection of cash and cheque donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash and cheque donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash and cheque donations to the entity, reported in the accompanying financial report is complete.

In respect of the qualification however, based on our understanding of the internal controls, nothing has come to our attention which would cause us to believe that the internal controls over revenue from fundraising appeal activities by the Entity, are not appropriate given the size and nature of the Entity.

Auditor’s opinion

In our opinion, except for the possible effects of matter described in the basis for qualified opinion paragraph, the financial report of the Australian Foundation for International Credit Union Development – International Projects is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Entity’s financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.



WA – Reporting under Charitable Collections Act (WA) 1946

Audit opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In accordance with the requirements of Section 15(2) of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* (the Act and Regulations), we have reviewed the Act and Regulations for the purpose of reporting whether, as a result of completing our audit procedures on the financial report of the Entity for the year ended 30 June 2014, we have not become aware of any condition or event that constitute a material default by the Entity in the performance of, or compliance with, any requirements of the Act or Regulations.

In our opinion, except for the possible effects of matter described in the basis for qualified opinion paragraph the Entity, for the year ended 30 June 2014, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947*.

KPMG

KPMG

Cath Ingram
Partner

Canberra

9 September 2014



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of the Australian Foundation for International Credit Union Development – International Projects.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Cath Ingram
Partner

Canberra

5 September 2014

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

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 2014 has been prepared as required by the Trust Deed.

The auditor of the Fund, KPMG, 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 of The Australian Foundation for International Credit Union Development – International Projects Fund



Margot Sweeny
Chair



Madeline Dermatossian
Director

Sydney, 5 September 2014

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

Statement of Comprehensive Income

For the financial year ended 30 June 2014

	Notes	2014 \$	2013 \$
REVENUE			
Donations and gifts			
Monetary	3	931,559	620,508
Non-monetary		-	-
Grants			
AusAID	3	942,220	791,434
Other Australian		-	-
Other overseas		-	-
Investment Income		34,745	39,713
Other Income			
Other Project Services (Non-Monetary)	4	124,366	846,803
Miscellaneous Income		-	16,274
TOTAL REVENUE FROM ORDINARY ACTIVITIES		<u>2,032,890</u>	<u>2,314,732</u>
EXPENSES			
International Aid and Development Programs Expenditure			
International programs:			
Funds to international programs	5	1,596,680	1,114,911
Fundraising costs:			
Public		53,944	73,291
Government, multilateral and private		-	-
Accountability and Administration	6	-	-
Non-Monetary expenditure	4	124,366	846,803
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		<u>1,774,990</u>	<u>2,035,005</u>
EXCESS OF REVENUE OVER EXPENSES FROM CONTINUING OPERATIONS		<u>257,900</u>	<u>279,727</u>
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>257,900</u>	<u>279,727</u>

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

Balance Sheet

As at 30 June 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	1,875,745	1,401,983
Trade and other receivables	7	39,937	276,958
Total Assets		<u>1,915,683</u>	<u>1,678,941</u>
Current Liabilities			
Other liabilities	8	51,293	72,449
Total Liabilities		<u>51,293</u>	<u>72,449</u>
Net Assets		<u>1,864,390</u>	<u>1,606,492</u>
Equity			
Retained Earnings		1,864,390	1,606,492
Total Equity		<u>1,864,390</u>	<u>1,606,492</u>

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

Current and Non-Current Assets:

At the end of both the 2014 and 2013 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 2014 and 2013 financial years, there were no Non-Current Assets.

Current and Non-Current Liabilities:

At the end of both the 2014 and 2013 financial years, with respect to Current Liabilities the Fund had no balances in respect of Trade and other payables, Borrowings, Current tax liabilities.

In both the 2014 and 2013 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 2014

Statement of Changes in Equity

	Retained Earnings	Total
	\$	\$
2014		
Balance as at 1 July 2013	1,606,491	1,606,491
Excess of revenue over expenses for the year	257,899	257,899
Balance as at 30 June 2014	<u>1,864,390</u>	<u>1,864,390</u>
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	<u>1,606,492</u>	<u>1,606,492</u>

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

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

Cash Flow Statement

For the financial year ended 30 June 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Donations received		274,754	386,921
AusAID grants received		942,220	791,434
Funds raised for specific initiatives		748,411	163,208
Fundraising expenses		(53,944)	(48,887)
Expenditure on AusAID projects		(910,027)	(753,174)
Expenditure on other projects		(562,397)	(274,357)
Net cash provided by operating activities	9 (b) & 10	439,017	265,145
Cash flows from investing activities		34,745	37,295
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		473,762	302,440
Cash and cash equivalents at the beginning of the financial year		1,401,983	1,099,543
Cash and cash equivalents at the end of the financial year	9(a)	1,875,745	1,401,983

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

**The Australian Foundation for International Credit Union Development –
International Projects 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. Non-interest revenue from ordinary activities
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The Australian Foundation for International Credit Union Development – International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2014

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 2014 were approved and authorised for issue by the board of directors of the Trustee on 5 September 2014.

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

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

Notes to the Financial Statements For the financial year ended 30 June 2014

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.

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

Notes to the Financial Statements For the financial year ended 30 June 2014

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

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

Notes to the Financial Statements For the financial year ended 30 June 2014

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 Other Liabilities and Provisions.

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

Notes to the Financial Statements For the financial year ended 30 June 2014

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.

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

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.

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

	2014	2013
	\$	\$
3. Non-interest revenue from ordinary activities		
Donations and gifts – Monetary		
Other Australian Donations	260,366	386,921
Children’s Financial Literacy-Cambodia	865	31,489
Participation Fees-Cambodia Leadership Challenge	19,000	34,200
Participation Fees Pacific Credit Union Technical Congress	34,347	49,191
Leadership - Pacific	13,600	-
Village Entrepreneur Program	95,825	75,688
Fundraising-Asia	25,142	32,835
Fundraising-Pacific	14,485	1,912
Other Funds	67,929	8,272
COBA	400,000	-
Total Donations and Gifts - Monetary	931,559	620,508
Grants		
AusAID	942,220	791,434
Other Australian	-	-
Other Overseas	-	-
	942,220	791,434
Total non-interest revenue from ordinary activities	1,873,778	1,411,942

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

4. Other project services (Non-Monetary)

	2014	2013
	\$	\$
These are represented by:		
<u>Project Costs</u>		
Staff Payroll- Abacus Australian Mutuals Ltd	-	300,917
Volunteers	72,298	118,050
 <u>Administration Costs</u>		
Equipment, services and accommodation		
- COBA/Abacus Australian Mutuals Pty Ltd	52,068	26,024
- Cuscal Limited	-	401,812
 Total	124,366	846,803

Volunteers' services are recognised on the basis of time spent and represent 703 days (2013: 210 days).

5. Funding expenses

	2014	2013
	\$	\$
Funds to overseas projects		
AusAID projects	910,027	753,174
Myanmar	74,704	3,799
Financial Literacy Program	22,475	31,093
Leadership-Asia	13,195	22,970
Pacific Credit Union Technical Congress	57,880	60,977
Cambodia Riel Project	162,474	95,143
Cambodia Building Trust	315	-
Pacific Leadership	10,127	-
India	-	1,406
Australian Council for International Development	22,261	9000
 Progress Out of Poverty	-	-
Village Entrepreneur	144,247	64,987
Board Education and Familiarisation	19,485	702
Oceanic Confederation of Credit Union Leagues	41,770	48,838
Hall of Honour	-	-
Other projects	117,720	22,822
Total funds to overseas projects	1,596,680	1,114,911

6. Accountability and Administration

Audit of the financial report	-	-
Other expenses	-	-
	-	-

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

7. Trade & Other receivables

Prepaid Project Expenses	-	175,800
Other receivables	39,937	101,158
Total other receivables	39,937	276,958

8. Other liabilities

Intercompany Liability	4,806	16,025
Trade Creditors	37,760	12,346
Deferred Income	-	660
Project Accruals	8,727	43,418
Total other liabilities	51,293	72,449

9. Notes to cash flow

a. Reconciliation of cash and cash equivalents

- Cash at bank – Other ADIs	967,071	380,575
- Deposits at call - CUSCAL	784,327	1,021,408
- Cash on hand	124,347	-

Total cash and cash equivalents	1,875,745	1,401,983
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b. Reconciliation of excess of revenue over expenses to net cash flow from operating activities

Excess of revenue over expenses for the year	257,900	279,727
Less non-cash		
Receipts	(124,366)	(846,803)
Expense	124,366	846,803
Less interest received	(34,745)	(39,713)
(Increase)/Decrease in Prepayments	175,800	126,140
(Increase)/Decrease in receivables	61,221	(97,206)
Increase/(Decrease) in intercompany payable	(11,219)	16,025
Increase/(Decrease) in trade creditors	25,414	12,346
Increase/(Decrease) in deferred income	(660)	(4,310)
Increase/(Decrease) in project accruals	(34,691)	(30,282)

Net cash provided by operating activities	439,020	262,727
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Income from investing activity	34,745	39,713
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Net Cash flow	473,765	302,440
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**The Australian Foundation for International Credit Union Development –
International Projects Fund**

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

10. Table of cash movements for designated purposes

2014 Purpose	Cash available at 30 June 2013	Cash raised during 2013/2014	Cash disbursed during 2013/2014	Cash available at 30 June 2014
Sri Lanka Reconstruction Project	2,739	-	-	2,739
Pacific Congress	5,109	34,347	(30,541)	8,915
Cambodia Children's Financial Literacy	15,878	865	(22,475)	(5,732)
Leadership-ASIA	43,578	19,000	(13,195)	49,383
Oceanic Confederation of Credit Union Leagues	-	41,770	(41,770)	-
Leadership-PACIFIC	17,422	27,338	(27,338)	17,422
Cambodia Building Trust	-	-	(315)	(315)
Australian Council for International Development	-	3,500	(22,260)	(18,760)
Cambodia-Building Institutional Capacity	-	-	-	-
Timor Leste	-	236,419	(236,419)	-
Village Entrepreneur	42,084	95,824	(144,247)	(6,339)
Myanmar	-	251,718	(251,718)	-
Fundraising-ASIA	49,839	23,145	(135)	72,849
Fundraising-Pacific	89,980	14,485	(100)	104,365
AUSAID – RIEL Cambodia	46,963	172,945	(162,474)	57,434
Other Purposes	1,088,391	1,078,774	(573,381)	1,593,784
Total	1,401,983	2,000,130	(1,526,368)	1,875,745
Net cash flow by designated purpose for the year (Refer Cash Flow Statement)			473,762	

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

10. Table of cash movements for designated purposes

2013	Cash available at 30 June 2012 \$	Cash raised during 2012/2013 \$	Cash disbursed during 2012/2013 \$	Cash available at 30 June 2013 \$
Purpose				
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)	-
Board Familiarisation and Education	-	-	-	-
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	416,525	(178,807)	1,088,391
Total	1,099,543	1,478,482	(1,215,029)	1,401,983
Net cash flow by designated purpose for the year (Refer Cash Flow Statement)			302,440	

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

11. Financial instruments disclosures

	2014	2013
	\$	\$
Carrying value:		
Cash at a Bank (at call)	967,071	380,575
Deposits at call	784,327	1,021,408
Cash on hand	124,347	-
Total carrying value	1,875,745	1,401,983

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%	
	2014	2013	2014	2013
	\$	\$	\$	\$
Profit or loss	(9,378)	(7,020)	9,378	7,020

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.

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

11. Financial instruments disclosures (continued)

Contractual undiscounted cash flows of financial liabilities

2014

	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	-	27,357	23,936	-	-	-	51,291
Total	-	27,357	23,936	-	-	-	51,291

2013

Financial Liabilities							
Other payables	-	72,449	-	-	-	-	72,449
Total	-	72,449	-	-	-	-	72,449

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.

**The Australian Foundation for International Credit Union Development –
International Projects Fund**

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

12. Related party disclosures

Directors

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

P.G. Dowling
M. Sweeny
R.C. Healy
M. Dermatossian
H. Scheeres

The compensation of the specified directors was nil (2013: nil).

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 is 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
ANNUAL FINANCIAL REPORT**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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Credit Union Foundation Australia Trust Fund

Information on Trustee

Credit Union Foundation Australia Pty Limited is the Trustee of the CUFA Trust Fund ('the Trust Fund'). Its only activity is to act as Trustee of this Fund, Credit Union Relief Fund and The Australian Foundation for International Credit Union Development – 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

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

Appointed 14 September 2010

Experience:

Chief Executive Officer, Summerland Credit Union

14 years credit union CEO

8 years credit union experience as credit union Deputy Chairperson and Director Patron of Friends of the Koala, Inc

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 Healthtech Pty Ltd

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

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Awarded The Centenary of Federation Medal in the General List by the Governor-General in 2001 for contribution to accounting

Made a Member of the Order of Australia (AM) in the General Division on Australia Day 2007 for service to accountancy and the community

Awarded a Commendation from the Faculty of Business, Government and Law in the 2013 University of Canberra Distinguished Alumni Awards

Directorships in Other Entities:

Metro South Hospital and Health Services Board

TAFE Queensland

CPA Australia Ltd

Lexon Insurance

WorkCover Queensland

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 Queensland Crime and Misconduct Commission Audit and Risk Committee

Chair of Queensland Department of Energy and Water Supply Audit and Risk Committee

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

Queensland Honorary Consul for Botswana.

Credit Union Foundation Australia Trust Fund

Roseanne Celeste Healy BA (Economics), MBA, MBR (Strategy)

Appointed 1 July 2013

Experience:

15 years experience as a Non-Executive Director
10 years Corporate advisor in strategy and sustainability
7 years Chief Executive Officer, State promotion and development
2 years Executive Director, Research and Development
4 years Managing Director, Business analytics

Directorships in Other Entities:

Rural Industries Research and Development Corporation and Chair of the Audit and Risk Committee
Country South SA Medical Local and Chair of the Audit and Risk Committee
Country Health SA Local Health Network Governing Council
GP Partners Australia and Chair of the Audit and Risk Committee
HomeStart Finance
Frankston Regional Aquatic Centre Pty Ltd (Chair)

Other Declared Interests:

Member of Institute of Corporate Directors AICD
Special Olympics Australia
UN Women Australia
The Crawford Fund
Centre for Social Impact

Madeline Dermatossian GMP Dip Law

Appointed 1 July 2013

Experience:

1 year financial services industry, Chief Operating Officer, Defence Housing Australia
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 university lecturing in culture and diversity, adult education, workplace learning, literacy and communication
15 years research in workplace and organisational communication and culture
9 years university management positions and chair of range of Committees
14 years experience in management and teaching positions in FAFE NSW
Curriculum development in Australia, Mexico, and Argentina
Advisory and Board experience in industry and government departments on workplace learning and communication

Other Declared Interests:

Nil



Independent auditor's report to the members of the Credit Union Foundation Australia Trust Fund

Report on the financial report

We have audited the accompanying financial report of the Credit Union Foundation Australia Trust Fund (the Entity), which comprises the balance sheet as at 30 June 2014, and statement of comprehensive income, statement of changes in equity and cash flows statement for the year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and trustees' declaration of the Entity.

This audit report has also been prepared for the members of the Entity in pursuant to *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)* and Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946 and Regulations 1947* (collectively the Acts and Regulations).

Directors' responsibility for the financial report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards and the ACNC, a true and fair view which is consistent with our understanding of the Entity's financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Entity to meet the requirements of the Acts and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

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

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the directors of the Credit Union Foundation Australia Trust Fund on 5 September 2014, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's opinion

In our opinion, the financial report of the Credit Union Foundation Australia Trust Fund is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:



- (a) giving a true and fair view of the Entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

WA – Reporting under Charitable Collections Act (WA) 1946

Audit opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In accordance with the requirements of Section 15(2) of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* (the Act and Regulations), we have reviewed the Act and Regulations for the purpose of reporting whether, as a result of completing our audit procedures on the financial report of the Entity for the year ended 30 June 2014, we have not become aware of any condition or event that constitute a material default by the Entity in the performance of, or compliance with, any requirements of the Act or Regulations.

In our opinion, the Entity, for the year ended 30 June 2014, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947*.


KPMG

Cath Ingram
Partner

Canberra

9 September 2014



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of the Credit Union Foundation Australia Trust Fund.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Cath Ingram
Partner

Canberra

5 September 2014

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Credit Union Foundation Australia Trust Fund

Trustee's Declaration

The financial report on pages 7 to 20 for the financial year ended 30 June 2014 has been prepared as required by the Trust Deed.

The auditor of the Fund, KPMG, 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



Margot Sweeny
Chair



Madeline Dermatossian
Director

Sydney, 5 September 2014

Credit Union Foundation Australia Trust Fund

Statement of Comprehensive Income

For the financial year ended 30 June 2014

	Notes	2014 \$	2013 \$
Revenue			
Interest income		15,093	19,313
Development education fees		-	31,273
Other project services (Non-monetary)	3	13,818	88,800
Total revenue from ordinary activities		28,911	139,386
Expenses			
Other project services (Non-monetary)	3	13,818	88,800
Development education expenses		3,810	16,782
Administration expenses	4	-	-
Total expenses from ordinary activities		17,628	105,582
Excess of revenue over expenses from continuing operations		11,283	33,804
Other Comprehensive Income		-	-
Total Comprehensive Income		11,283	33,804

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 2014

	Notes	2014 \$	2013 \$
Current Assets			
Cash and cash equivalents	7	287,881	277,102
Cash in term deposit		350,000	350,000
Other receivables	5	1,724	1,958
Total current assets		639,605	629,060
Current Liabilities			
Other liabilities	6	-	738
Total current liabilities		-	738
Net Assets		639,605	628,322
Equity			
Retained Earnings		483,165	471,882
Reserve - Steve Birt Endowment Fund		156,440	156,440
Total Equity		639,605	628,322

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 2014			
Balance at the beginning of the financial year	471,882	156,440	628,322
Total Comprehensive Income	11,283	-	11,283
Balance at the end of the financial year	483,165	156,440	639,605
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

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 2014

	Notes	2014 \$	2013 \$
Cash flows from operating activities			
Interest received		15,093	19,365
Development education funding received		-	31,273
Development education expenditure		-	(16,044)
Administration expenses paid		(4,314)	-
Net cash provided by operating activities	7 (b)	10,779	34,594
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		10,779	34,594
Cash and cash equivalents at the beginning of the financial year		277,102	242,508
Cash and cash equivalents at the end of the financial year	7 (a)	287,881	277,102

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

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2014

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

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2014

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 2014 were approved and authorised for issue by the board of directors of the Trustee on 5 September 2014.

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.

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2014

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.

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2014

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

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2014

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.

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2014

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.

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2014

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.

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2014

	2014 \$	2013 \$
3. Other project services		
These are represented by:		
<u>Development Education</u>		
Volunteers	7,530	5,119
<u>Administration costs</u>		
Employment costs		
COBA/Abacus - Australian Mutuals Limited	-	33,435
Volunteer Services	503	2,708
Equipment, Accommodation, and Other Services		
COBA/Abacus - Australian Mutuals Limited	5,785	2,892
Cuscal Limited	-	44,646
Total services in kind	13,818	88,800
Volunteers' services are recognised on the basis of time spent and represents 30 days (2013: 15 days).		
4. Administration expenses		
Auditor's remuneration	-	-
5. Other receivables		
Sundry debtors	1,724	1,958
Total other receivables	1,724	1,958
6. Other liabilities		
Accounts payable and accrued expenses	-	738
Total other liabilities	-	738

Credit Union Foundation Australia Trust Fund

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

	2014	2013
	\$	\$
7. Notes to cash flow		
a. Reconciliation of cash and cash equivalents		
With Cuscal Limited:		
- Cash at a Bank	52,789	42,010
- Deposits at call	235,092	235,092
Total cash and cash equivalents	287,881	277,102
b. Reconciliation of excess of revenue over expenses to net cash flow from operating activities		
Excess of revenue over disbursements for the year	11,283	33,804
Decrease/(Increase) in other receivables	234	52
Decrease in other liabilities	(738)	738
Net cash flow provided by operating activities	10,779	34,594
8. Financial instruments disclosures		
Carrying value:		
Cash at a Bank (at call)	52,789	42,010
Deposits at call	235,092	235,092
Fixed term deposit	350,000	350,000
Total carrying value	637,881	627,102

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 2014**

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%	
	2014	2013	2014	2013
	\$	\$	\$	\$
Profit or loss	(3,189)	(3,136)	3,189	3,136

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

	At Call	3 months or less	3 to 12 months	1 to 5 years	Over 5 years	No Maturity Specified	Total
	\$	\$	\$	\$	\$	\$	\$
2014							
Financial Liabilities							
Other payables	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
2013							
Financial Liabilities							
Other payables	-	738	-	-	-	-	738
Total	-	738	-	-	-	-	738

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

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

Directors

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

P.G. Dowling
M. Sweeny
R.C. Healy
M. Dermatossian
H. Scheeres

The compensation of the specified directors was nil (2013: nil).

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
ABN 39 255 175 137

ANNUAL FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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Information on Trustee

Credit Union Foundation Australia Pty Limited is the Trustee of the Credit Union Relief Fund ('the Relief Fund'). Its only activity is to act as Trustee of this Relief Fund, Credit Union Foundation Australia Trust Fund and The Australian Foundation for International Credit Union Development – 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

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

Appointed 14 September 2010

Experience:

Chief Executive Officer, Summerland Credit Union

14 years credit union CEO

8 years credit union experience as credit union Deputy Chairperson and Director Patron of Friends of the Koala, Inc

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 Healthtech Pty Ltd

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

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Awarded The Centenary of Federation Medal in the General List by the Governor-General in 2001 for contribution to accounting

Made a Member of the Order of Australia (AM) in the General Division on Australia Day

2007 for service to accountancy and the community

Awarded a Commendation from the Faculty of Business, Government and Law in the 2013

University of Canberra Distinguished Alumni Awards

Directorships in Other Entities:

Metro South Hospital and Health Services Board

TAFE Queensland

CPA Australia Ltd

Lexon Insurance

WorkCover Queensland

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 Queensland Crime and Misconduct Commission Audit and Risk Committee

Chair of Queensland Department of Energy and Water Supply Audit and Risk Committee
Member of Moreton Bay Regional Council and Redlands Council Audit and Risk Committees
Queensland Honorary Consul for Botswana.

Roseanne Celeste Healy BA (Economics), MBA, MBR (Strategy)

Appointed 1 July 2013

Experience:

15 years experience as a Non-Executive Director
10 years Corporate advisor in strategy and sustainability
7 years Chief Executive Officer, State promotion and development
2 years Executive Director, Research and Development
4 years Managing Director, Business analytics

Directorships in Other Entities:

Rural Industries Research and Development Corporation and Chair of the Audit and Risk Committee
Country South SA Medical Local and Chair of the Audit and Risk Committee
Country Health SA Local Health Network Governing Council
GP Partners Australia and Chair of the Audit and Risk Committee
HomeStart Finance
Frankston Regional Aquatic Centre Pty Ltd (Chair)

Other Declared Interests:

Member of Institute of Corporate Directors AICD
Special Olympics Australia
UN Women Australia
The Crawford Fund
Centre for Social Impact

Madeline Dermatossian GMP Dip Law

Appointed 1 July 2013

Experience:

1 year financial services industry, Chief Operating Officer, Defence Housing Australia
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 university lecturing in culture and diversity, adult education, workplace learning, literacy and communication
15 years research in workplace and organisational communication and culture
9 years university management positions and chair of range of Committees
14 years experience in management and teaching positions in FAFE NSW
Curriculum development in Australia, Mexico, and Argentina
Advisory and Board experience in industry and government departments on workplace learning and communication

Other Declared Interests:

Nil



Independent auditor's report to the members of the Credit Union Relief Fund

Report on the financial report

We have audited the accompanying financial report of the Credit Union Relief Fund (the Entity), which comprises the balance sheet as at 30 June 2014, and statement of comprehensive income, statement of changes in equity and cash flows statement for the year ended on that date, notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information and trustees' declaration of the Entity.

This audit report has also been prepared for the members of the Entity in pursuant to *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)* and Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946 and Regulations 1947* (collectively the Acts and Regulations).

Directors' responsibility for the financial report

The Directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards and the ACNC, a true and fair view which is consistent with our understanding of the Entity's financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Entity to meet the requirements of the Acts and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and

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examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

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

Basis for qualified auditor's opinion

Fundraising revenue in the form of cash and cheque donations are a significant source of fundraising revenue for the Entity. The entity has determined that it is impracticable to establish controls over the collection of cash and cheque donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash and cheque donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash and cheque donations to the entity, reported in the accompanying financial report is complete.

In respect of the qualification however, based on our understanding of the internal controls, nothing has come to our attention which would cause us to believe that the internal controls over revenue from fundraising appeal activities by the Entity, are not appropriate given the size and nature of the Entity.

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the directors of the Credit Union Relief Fund on 5 September 2014, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial report of the Credit Union Relief Fund is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.



WA – Reporting under Charitable Collections Act (WA) 1946

Audit opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In accordance with the requirements of Section 15(2) of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* (the Act and Regulations), we have reviewed the Act and Regulations for the purpose of reporting whether, as a result of completing our audit procedures on the financial report of the Entity for the year ended 30 June 2014, we have not become aware of any condition or event that constitute a material default by the Entity in the performance of, or compliance with, any requirements of the Act or Regulations.

In our opinion, except for the possible effects of matter described in the basis for qualified opinion paragraph the Entity, for the year ended 30 June 2014, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947*.

KPMG

Cath Ingram
Partner

Canberra

9 September 2014



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of the Credit Union Relief Fund.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Cath Ingram
Partner

Canberra

5 September 2014

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Credit Union Relief Fund

Trustee's Declaration

The financial report on pages 8 to 18 for the financial year ended 30 June 2014 has been prepared as required by the Trust Deed.

The auditor of the Relief Fund, KPMG, 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



Margot Sweeny
Chair



Madeline Dermatossian
Director

Sydney, 5 September 2014

Statement of Comprehensive Income

For the financial year ended 30 June 2014

	2014	2013
	\$	\$
Revenue	5,999	
Bushfire appeal funds collected		
Interest earned	-	3
Total revenue from ordinary activities	5,999	3
Expenses		
Bushfire appeal proceeds paid to Salvation Army	5,989	
Administration expense	10	-
Total expenses from ordinary activities	5,999	-
Other Comprehensive Income	-	-
Total Comprehensive Income	-	3

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

Balance Sheet

As at 30 June 2014

	2014	2013
	\$	\$
Current Assets		
Cash on hand	103	103
Total Current Assets	103	103
Net Assets	103	103
Equity		
Settled funds	103	100
Accumulated Funds	-	3
Total Equity	103	103

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

Statement of Changes in Equity

		\$	\$
	Accumulated Funds	Settled Funds	Total
For the financial year ended 30 June 2014			
Settled Funds		103	103
Total Comprehensive Income	-		-
Balance at the end of the financial year	-	103	103
For the financial year ended 30 June 2013			
Settled Funds		100	100
Total Comprehensive Income	3	-	3
Balance at the end of the financial year	3	100	103

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 2014

	Note	2014	2013
		\$	\$
Cash flows from operating activities			
Interest received & Other donations		5,999	3
Administration expenses		5,999	-
		<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		103	100
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	4	103	103
		<hr/>	<hr/>

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 2014

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

Notes to the Financial Statements
For the financial year ended 30 June 2014

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. 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 2014 were approved and authorised for issue by the board of directors of the Trustee on 5 September 2014.

Notes to the Financial Statements
For the financial year ended 30 June 2014

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.

Notes to the Financial Statements
For the financial year ended 30 June 2014

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.

Notes to the Financial Statements
For the financial year ended 30 June 2014

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

Notes to the Financial Statements
For the financial year ended 30 June 2014

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).

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

Notes to the Financial Statements
For the financial year ended 30 June 2014

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.

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.

	2014	2013
	\$	\$
3. Auditor's remuneration		
Auditor's remuneration	-	-
	<hr/>	<hr/>
4. Financial instruments disclosures	2014	2013
	\$	\$
Carrying value:		
Cash on hand	103	103
	<hr/>	<hr/>

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.

Notes to the Financial Statements
For the financial year ended 30 June 2014

5. Related party disclosures

Directors

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

P.G. Dowling
M. Sweeny
Roseanne Celeste Healy
Madeline Dermatossian
Hermine Scheeres

The compensation of the specified directors was nil (2013: nil).

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

CUFA Ltd
ABN 14 163 481 329

ANNUAL FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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Information on Trustee

CUFA Ltd is a company limited by guarantee, domiciled in Australia. The company's primary purpose is as the holder of the two shares in Credit Union Foundation Australia Foundation Australia Pty Ltd, the trustee company of the Relief Fund, Credit Union Foundation Australia Trust Fund and the Australian Foundation for International Credit Union Development - 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

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

Appointed 01 July 2013

Experience:

Chief Executive Officer, Summerland Credit Union

14 years credit union CEO

8 years credit union experience as credit union Deputy Chairperson and Director Patron of Friends of the Koala, Inc

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 Healthtech Pty Ltd

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

Appointed 01 July 2013

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Awarded The Centenary of Federation Medal in the General List by the Governor-General in 2001 for contribution to accounting

Made a Member of the Order of Australia (AM) in the General Division on Australia Day 2007 for service to accountancy and the community

Awarded a Commendation from the Faculty of Business, Government and Law in the 2013

University of Canberra Distinguished Alumni Awards

Directorships in Other Entities:

Metro South Hospital and Health Services Board

TAFE Queensland

CPA Australia Ltd

Lexon Insurance

WorkCover Queensland

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 Queensland Crime and Misconduct Commission Audit and Risk Committee

Chair of Queensland Department of Energy and Water Supply Audit and Risk Committee
Member of Moreton Bay Regional Council and Redlands Council Audit and Risk Committees
Queensland Honorary Consul for Botswana.

Roseanne Celeste Healy BA (Economics), MBA, MBR (Strategy)

Appointed 01 July 2013

Experience:

15 years' experience as a Non-Executive Director
10 years Corporate advisor in strategy and sustainability
7 years Chief Executive Officer, State promotion and development
2 years Executive Director, Research and Development
4 years Managing Director, Business analytics

Directorships in Other Entities:

Rural Industries Research and Development Corporation and Chair of the Audit and Risk Committee
Country South SA Medical Local and Chair of the Audit and Risk Committee
Country Health SA Local Health Network Governing Council
GP Partners Australia and Chair of the Audit and Risk Committee
HomeStart Finance
Frankston Regional Aquatic Centre Pty Ltd (Chair)

Other Declared Interests:

Member of Institute of Corporate Directors AICD
Special Olympics Australia
UN Women Australia
The Crawford Fund
Centre for Social Impact

Madeline Dermatossian GMP Dip Law

Appointed 01 July 2013

Experience:

1 year financial services industry, Chief Operating Officer, Defence Housing Australia
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 01 July 2013

Experience:

20 years university lecturing in culture and diversity, adult education, workplace learning, literacy and communication
15 years research in workplace and organisational communication and culture
9 years university management positions and chair of range of Committees
14 years' experience in management and teaching positions in FAFE NSW
Curriculum development in Australia, Mexico, and Argentina
Advisory and Board experience in industry and government departments on workplace learning and communication

Other Declared Interests:

Nil



Independent auditor's report to the members of CUFA Limited

Report on the financial report

We have audited the accompanying financial report of CUFA Limited (the Company), which comprises the balance sheet as at 30 June 2014, and statement of comprehensive income, statement of changes in equity and cash flows statement for the year ended on that date, notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information and trustees' declaration of the Company.

This audit report has also been prepared for the members of the Company in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* (ACNC) and Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946 and Regulations 1947* (collectively the Acts and Regulations).

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards and the ACNC, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Company to meet the requirements of the Acts and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

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 Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the directors of CUFA Limited on 5 September 2014, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's opinion

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

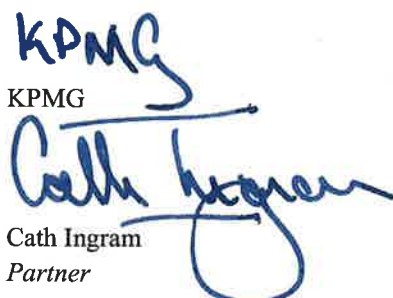
- (a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

WA – Reporting under Charitable Collections Act (WA) 1946

Audit opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In accordance with the requirements of Section 15(2) of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* (the Act and Regulations), we have reviewed the Act and Regulations for the purpose of reporting whether, as a result of completing our audit procedures on the financial report of the Company for the year ended 30 June 2014, we have not become aware of any condition or event that constitute a material default by the Company in the performance of, or compliance with, any requirements of the Act or Regulations.

In our opinion, the Company for the year ended 30 June 2014, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947*.


KPMG
Cath Ingram
Partner

Canberra

9 September 2014



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of CUFA Limited.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Cath Ingram
Partner

Canberra

5 September 2014

CUFA Ltd

Director's Declaration

The financial report on pages 7 to 16 for the financial year ended 30 June 2014 has been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, Accounting Standards and Interpretations, and complies with other requirements of the law.

The auditor of the CUFA Ltd, KPMG, has been appointed by the Directors and has conducted an audit of the financial report.

The Directors declare that:

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

Signed in accordance with a resolution of the directors made pursuant to s.60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the Directors



Margot Sweeny
Chair



Madeline Dermatossian
Director

Sydney, 5 September 2014

Statement of Comprehensive Income**For the financial year ended 30 June 2014**

	2014
	\$
Revenue	
Management fee income	400,551
Interest earned	1,817
Total revenue from ordinary activities	<u>402,368</u>
Expenses	
Personnel Expenses	395,603
Administration expense	109
Board Expenses	4,948
Total expenses from ordinary activities	<u>400,660</u>
Other Comprehensive Income	<u>-</u>
Total Comprehensive Income	<u><u>1,708</u></u>

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

Balance Sheet**As at 30 June 2014**

	2014
	\$
Current Assets	
Cash on hand	97,021
Other receivables	4,806
Total Current Assets	101,827
Current Liabilities	
Other liabilities	6,917
Provision for Annual leave and Long Service Leave	93,152
Total Current Liabilities	100,069
Net Assets	1,758
Equity	
Settled funds	50
Accumulated Funds	1,708
Total Equity	1,758

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 2014	Accumulated Funds	Settled Funds	Total
Settled Funds		50	50
Total Comprehensive Income	1,708		1,708
Balance at the end of the financial year	1,708	50	1,758
For the financial year ended 30 June 2013	Accumulated Funds	Settled Funds	Total
Settled Funds		-	-
Total Comprehensive Income	-	-	-
Balance at the end of the financial year	-	-	-

CUFA Ltd

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 2014

	Note	2014 \$
Cash flows from operating activities		
Interest received & Management Fee income		402,368
Administration expenses		300,591
		<hr/>
Net cash provided by operating activities		<u>101,777</u>
Cash flows from investing activities		-
Cash flows from financing activities		<hr/> -
Net increase in cash and cash equivalents		<u>101,777</u>
Cash and cash equivalents at the beginning of the financial year		50
		<hr/>
Cash and cash equivalents at the end of the financial year	4	<u>101,827</u>

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 2014**

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

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

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. Significant accounting policies

General Information and Statement of Compliance

The general purpose financial statements of the company 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 2014 were approved and authorised for issue by the board of directors of the Trustee on 5 September 2014.

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 labour services supplied to Trust also managed by the Trustee.

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.

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.

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

(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.

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

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).

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

**Notes to the Financial Statements
For the financial year ended 30 June 2014**

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.

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.

3. Auditor's remuneration	2014
	\$
Auditor's remuneration	<u>-</u>
4. Financial instruments disclosures	2014
	\$
Carrying value:	
Cash on hand	<u>97,021</u>
Fair value:	

The company considers that the carrying value of the CUFA Ltd'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 2014**

Credit risk

During the financial year the Fund held its cash on deposit with Westpac Banking Corporation. Westpac Banking Corporation 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 Directors believe that the accounts held with Westpac Banking Corporation are subject to minimal credit risk.

Interest rate risk

CUFA Ltd was not exposed to interest rate risk during the financial year.

Liquidity risk management

The CUFA Ltd manages liquidity risk by ensuring that its cash outgoings do not exceed its cash receipts.

5. Related party disclosures

Directors

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

P.G. Dowling
M. Sweeny
R.C. Healy
M. Dermatossian
H. Scheeres

The compensation of the specified directors was nil (2013: nil).

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 in future financial years.

7. Additional information

CUFA Ltd is a company limited by guarantee formed in Australia.

The registered office and principal place of business are both:

Level 11, 35 Clarence Street
SYDNEY NSW 2000



CUFA

Level 11, 35 Clarence Street
Sydney NSW 2000

Phone: +61 1300 490 467
Website: www.cufa.org.au

Developing People
Strengthening Communities