



# ANNUAL REPORT 2014-15



**CUFA**

Developing People  
Strengthening Communities

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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 2014-15, the Australian Government contributed funding towards CUFA's programs in Cambodia, Myanmar and Timor-Leste as well as in the Pacific region.



**ACFID**  
MEMBER

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

# MESSAGE FROM THE CHAIR



It was a monumental start to 2015 for CUFA following the launch of our second Social Return on Investment Report, which highlighted a 57% increase in the social value of our work since we last reported in 2011. It's official: every \$1 you invest in our development programs generates a huge return of \$8.07.

And there's no better way for our generous and valued investors to appreciate the scope and impact of our work in the Asia Pacific than to see these success stories in action throughout these pages.

This milestone gives us the opportunity to celebrate – and also to take stock. CUFA has now embarked on a three-year strategic plan that, while firmly rooted in our mission of financial inclusion and cooperative development, will drive us towards a complete approach to our livelihoods methodology. These are exciting times, and the Board has never been more optimistic about our future direction.

Knowing that our financial development programs are making inroads in countries like Cambodia, Fiji, Myanmar and Timor-Leste reinforces our commitment to our unique, sustainable approach that lifts whole communities out of extreme poverty.

To that end, we were excited to announce a new partnership this year with the Australian Foundation for the Peoples of Asia and the Pacific (AFAP) to help tackle poverty head-on in Myanmar, one of Asia's poorest nations. As well as developing grassroots community savings banks, AFAP and CUFA will ensure that women have equal opportunity to access these life-changing financial services.

A personal highlight for me in 2015 was the graduation of my own Village Entrepreneur, Nimh, in Cambodia. Nimh's chicken and pig raising businesses are now financially independent after just three years. I am enormously proud to see how Nimh has achieved an astounding 221% increase in profit which has enabled her to provide better housing, health care and education for her daughters. Most remarkable of all is the fact that she is continuing to grow her own savings as well as contribute to aid collections which benefit the poorest in her community.

These are the stories that inspire us, and which consolidate the Board's intention to guide and direct CUFA to further enrich the lives of women and men across the Asia Pacific region. CUFA aims to be at the forefront of providing innovative programs which enhance economic development in our region. Now we have the strategy, the tools and the mechanisms in place.

Thank you for your continued support this year. I think you will be as excited as we are to watch our projects grow. In demonstrating the true social value of CUFA's work, I hope you will be inspired to help support our efforts. We owe it to the world's poorest.

A handwritten signature in black ink that reads "Margot Sweeny". The signature is fluid and cursive, with a large loop at the end.

**Margot Sweeny**

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



It's exciting to welcome you to CUFA's 2015 Annual Report with the news that we have recently secured significant funding from the Australian Government to work with youth in Bougainville, the autonomous region of Papua New Guinea. With our target to reach 10,000 young people aged between 15 and 25, I see this project as an incredible opportunity to drive forward the development of this emerging part of our region.

Youth Pathways for the Future will follow CUFA's economic empowerment approach, aimed at dramatically improving the financial literacy and enterprise skills of youth in Bougainville. I look forward to bringing you further updates as this groundbreaking project gets underway.

As the year progresses, I can't help reflecting on the breadth and depth of CUFA: the talent and dedication of our staff and members, as well as the achievements made possible with support from our partners. This was especially brought home to me in March 2015 with the completion of the project named Reaching an Independent Economic Life. Funded by the Department of Foreign Affairs and Trade, this project enabled resettled Cambodian communities to get back on their feet again. Through extensive financial literacy training and support, the three-year project saw average incomes increase by 435% – with figures like that we can truly say that economic circumstances have improved and livelihoods transformed.

At CUFA, our vision is for communities in the Asia Pacific to be free of poverty through economic development and self-determination, and never is this truer than in Myanmar. We are pushing forward with the credit union development project commencing in Taik Kyi, Yangon where, for the first time in their lives, 3,000 people will have access to financial services, bringing help and hope to communities in one of our region's poorest nations.

This type of good news rarely hits the headlines – although it should. That's why a standout event for me this year that did make news was the Pacific Technical Credit Union Congress. Co-hosted by CUFA in Fiji, Prime Minister Bainimarama opened the congress by acknowledging the critical role that credit unions play in our region. With over 4 million people from diverse communities now able to access financial help, each year sees us take a giant step forward in the development of economic capacity through education, employment and enterprise.

My travels over the past year have taken me to many different – and often difficult – areas in the Asia Pacific region, but each time I have come away inspired. I would like to congratulate and thank our staff throughout the region, our individual and corporate donors, and our entire community.

As ever, we count on your support as we continue to deliver the power of economic self-determination in the Asia-Pacific.

A handwritten signature in black ink, appearing to read 'Peter Mason', written in a cursive style.

**Peter Mason**



# WHO WE ARE



## Our history

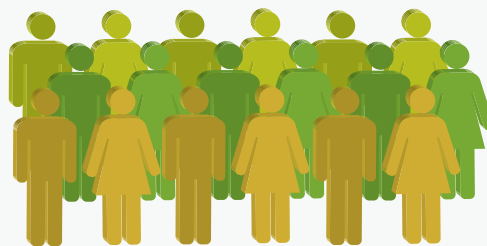
CUFA has been delivering programs that develop people and strengthen communities by providing them with access to affordable financial services since 1971. Developed as the international development agency for the Australian credit union movement, CUFA supports and assists financial cooperatives throughout 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.



**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 Region, 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 Community Owned Financial Institutions

We build and develop community owned financial institutions across the Asia Pacific region. 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. Our staff deliver training that focuses on building trust, increasing financial knowledge and growing operational capacity. Our work also enables members to make more informed financial decisions for their family's future.





## Financial education

CUFA believes that one of the best ways to help alleviate poverty is to help people develop financial literacy and money management skills that will help them establish a brighter future. Rather than simply providing people with money, we teach them how to use it effectively. Our programs focus on teaching both children from a young age, as well as adults how to have good money skills, that is an understanding on how to manage household expenses, savings and to create profitable micro-businesses.

## Micro-business development

Our Village Entrepreneur Program is focused on empowering the poorest of the poor through micro-business development. Working closely with community owned financial institutions, CUFA identifies the poorest members of the community and works closely with them to develop and grow a small business that will enable them to build a brighter future for themselves and their family.

With help from CUFA, the Village Entrepreneur creates a clear business plan that shows their goals and the steps and activities needed to achieve them. CUFA then provides ongoing support and mentorship, delivering training on everything from basic bookkeeping skills, to vocational skills such as how to properly house, vaccinate and care for chickens.

## Gender and disability inclusion

It is important to CUFA that the entire community benefits equally from our development programs. CUFA employs a gender and disability specialist who assists and trains the project staff in advocacy and inclusion of women and people with a disability to ensure they can participate fully in all of CUFA's projects.

# WHERE WE WORK

## Cambodia

1. Children's Financial Literacy Project
2. Village Entrepreneur Program
3. Reaching Independent Economic Livelihoods 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

## Bougainville

1. "Rot Bilong Ol Yangpla Blo Bihain Taim":  
Pathways for Youth

## Myanmar

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

## Philippines

1. Typhoon Haiyan Appeal





Philippines

Palau

Federated States of Micronesia

Kiribati

Bougainville

Tuvalu

Solomon Islands

Samoa

Timor-Leste

Papua New Guinea

Vanuatu

Fiji

Tonga

Australia

# OUR PROJECTS



## Building Institutional Capacity Program

### Credit Union Development Project

Now in its fourth year, the Credit Union Development project helps to build, develop and promote community owned financial institutions in rural Cambodian and Timorese communities that previously had no access to financial services. Our staff work in collaboration with communities to establish community owned financial institutions based on the principles outlined by the International Credit Union Movement, codified by the World Council of Credit Unions (WOCCU).

This year our project staff delivered 761 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 growth in both membership and savings and continued to provide women and men with loans to improve their livelihood opportunities.

By providing the opportunity for people who had no access to financial services to receive loans and save money, we are 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.



**318** women and men  
received a loan to start and expand  
micro-enterprises in their communities





With your support, this is what we achieved in 2014 -15:

## CAMBODIA

- Continued to develop 21 financial cooperatives with membership increasing by 11%, and savings increasing by 86% in the past year.
- A 23% increase in the number of loans to people who previously had no access to financial services, helping women and men to grow their income by building and expanding micro-enterprises in their communities. The profits have been used to assist with their children's education, to access better health services, and to improve their homes.
- Taught 449 people - 59% women - about the importance of bookkeeping, empowering them to keep track of their finances by learning how to record sales, expenses and profits. This important life skill is assisting them to operate and grow successful businesses.
- 62% of member savings accounts are held by women, enabling them to be part of the financial decision-making process, gain an understanding of money, and have access to training and support.

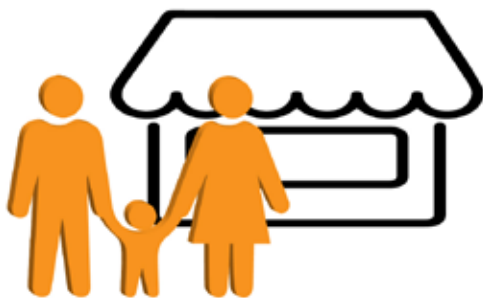


**86%**

Increase in member savings in Cambodia

## TIMOR-LESTE

- Provided support to 12 financial cooperatives, enabling them to increase membership and savings, improve their accounting and introduce loan products to members.
- An increase of 86% in savings and 31% in membership as a result of training and support.
- As a result of increased savings, created the opportunity for 149 people who previously had no access to financial services to receive loans; helping them to grow their income, build or expand their micro-enterprises and improve their families' educational and health opportunities.



**149** people who previously had no access to financial services able to receive loans for the first time





## MYANMAR

CUFA's newest project site in Myanmar is Taik Kyi, in the Yangon region, an area with limited access to financial education and financial services. The introduction of the Model Credit Union Development project complements CUFA's existing projects in Myanmar by building and developing community owned financial institutions, starting with self-help groups in rural communities where there is no access to existing financial services.

CUFA is currently working with 30 villages to implement the project to more than 3,000 economically disadvantaged women and men, with plans to expand as each community's financial institution develops.

By providing financial education and training to the members of these community owned financial institutions, the livelihoods of community members is beginning to improve.



**3,000** women and men who previously had no access to financial services provided the opportunity to save money in a safe place





## 12-year-old Vantha is a champion of change

At 12, Vantha\* is the youngest member of his local savings bank and the first indigenous child to open an account. Vantha lives with his family in the close-knit village of Nhol in the remote Ratanakiri Province of North-East Cambodia, one of the least developed areas in the country. Vantha already has big plans for the future: "I am saving to go to university. I want to study English and to learn how to use a computer. My dream is to become a leader in my community so I can teach my family, friends and community people the skills that I've learnt from my studies".

\*CUFA is committed to being a child safe organisation. Names of children have been changed.



## Business booms for Timor-Leste father of five

When father of five Martinho from the Viqueque district in Timor-Leste approached his local Credit Union with a plan, little did he know how successful he would be. The former subsistence farmer was living with his parents-in-law, growing crops, raising a few pigs and cows and selling them when he was in need of extra funds. After more than 18 months of saving, Martinho was able to receive a loan from his credit union. With a loan of just US \$1,000, Martinho became part of an enterprising group livestock trading business that now earns that same amount each week from their trips to market. Martinho has now built his own house, bought a motorbike to expand his business, and is completely financially independent.

### Credit Union Outreach Project

Our Credit Union Outreach project is supporting existing community owned financial institutions in Cambodia and Timor-Leste to have improved sustainable financial management, governance and operational processes.

These tailored support and training programs not only help mobilize savings and membership, they also help develop smart operational practices such as managing delinquency, defining roles and responsibilities of committee members, loan application practices, bookkeeping skills, micro-enterprises, dividend calculations and monthly interest allocations.

- Delivered tailored training, in partnership with the Cooperative Association of Cambodia (CAC), to 36 financial cooperatives to help develop their operational best practice with focus on three key areas: membership mobilization, loan application practices and financial auditing.
- To assist to strengthen its operational and financial capacity, CUFA has assisted CAC to leverage funds from Rabo Bank, the world's leading food and agribusiness bank.
- The funds have and will continue to assist the 36 financial cooperatives to increase their loan pools, providing members with increased opportunities to access loans for productive and educational purposes.
- Created the opportunity for 5,547 people to receive loans, a 21% increase from last year. The loans have helped women and men to grow their income, build or expand their micro-enterprises which are assisting them to support their family with improved health care and educational opportunities.



Delivered **21%** more loans in Cambodia than last year





## TIMOR-LESTE

Since 2012 CUFA has worked through Federation Hanai Malu to assist financial cooperatives in Timor-Leste to achieve financial and operational sustainability.

Highlights since the introduction of the project in 2012:

- 65% average increase in membership across 14 financial institutions, with some financial institutions achieving increases of up to 160%.
- Training and support to the financial cooperatives has now helped more than 26,000 women and men to have improved financial services across rural Timor-Leste.
- Across these 14 credit unions more than US \$1.5 million has been generated in savings, that has been lent among members to promote local development such as business loans to expand livestock businesses, start up mobile kiosks and educational loans to support childrens' continued education.



More than **26,000** people provided with improved access to financial services since 2012



## Myanmar Teachers' Project

Since 2013 CUFA, in partnership with Teachers Mutual Bank, Victoria Teachers Mutual Bank and QT Mutual Bank, have been working in Myanmar to deliver the Teachers' Project.

The project aims to help teachers working and living in disadvantaged communities in Myanmar by financially empowering the community as a whole. Providing funds to community owned financial institutions, CUFA works with them to generate interest and grow their loan pools. This interest is then used to supplement the salaries of teachers who, before the project, often struggled to survive on less than \$2 a day.

By helping to develop these communities, CUFA is ensuring that teachers' salaries are increased, retention rates are improved and access to quality education is more widely available. Ultimately, the project is helping to empower whole communities to build a brighter future, free from poverty.

Now two years into the project, CUFA has expanded its reach to the Yangon Region in the country's South, where community savings groups have been established, and existing community owned financial institutions further developed, with a view to supplementing teachers' salaries in the near future.



Supplemented the salaries of  
**153** teachers

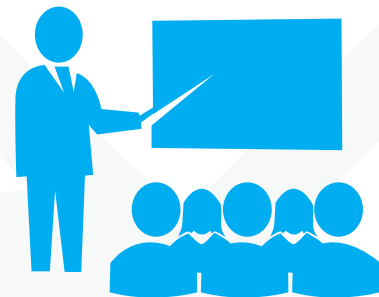




- At the two year mark, US \$60,000 worth of funding has been released in three tranches, with the project delivering a high return on investment. Overall the project has directly benefited 27,350 people and indirectly benefited 41,475.
- The funds invested into the Myanmar Teachers Project will be used in perpetuity to generate interest and pay teachers. With the funds distributed to date a total of US \$16,000 has been generated over the last two years which has been used to contribute to the wages of 153 teachers.



Of the students who received a free education  
**47%** of those were girls



Provided free education for more than  
**4,000** students from 32  
schools in the rural communities.





## How Daw Nan is helping break the poverty cycle

Every morning when Daw Nan walks into her classroom in the Shan State, Myanmar, more than two dozen expectant faces turn to her for the lifeline she provides for them, in a land still recovering from 60 years of civil unrest. Thanks to the Myanmar Teachers Project, that lifeline is now assured – as is the vital link education provides in breaking the cycle of poverty.

Life as a teacher before the project meant existing on as little as \$2 a day for 31-year-old Daw Nan. With the poorest parents unable to afford school fees, Buddhist schools like Daw Nan's relied solely on donations to pay teachers' wages. Daily hardship and high staff attrition were a way of life, as dedicated teachers were often forced to find other employment. Daw Nan was on the verge of leaving when her school got the chance to be part of the project.

"The supplement has been a great support," says Daw Nan. "We now feel less tension and strain. I can dedicate my time to teaching and taking care of the children, rather than worrying about how I will support my own family." Ultimately the Myanmar Teachers Project is helping to empower whole communities to build a brighter future, free from poverty.

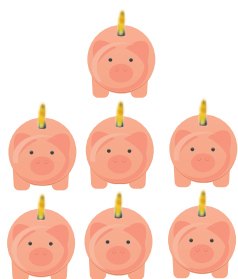


## Children's Financial Literacy Project Cambodia

Financial literacy is 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 region, these valuable lessons are not taught, thus contributing to the cycle of poverty. CUFA's 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 73,000 Cambodian students with financial education lessons, educating them on the importance of savings, income sources, budgeting, short and long term financial goals and encouraging them to develop good savings habits from a young age.

- Delivered financial literacy classes to more than 14,000 children through 350 lessons in 31 primary schools.
- Encouraged more than 8,000 children to start saving, a 14% increase from 2013-14. Children have used their savings to purchase bicycles to ride to school, helped their parents buy school uniforms and saved money at the local savings bank for their future education.

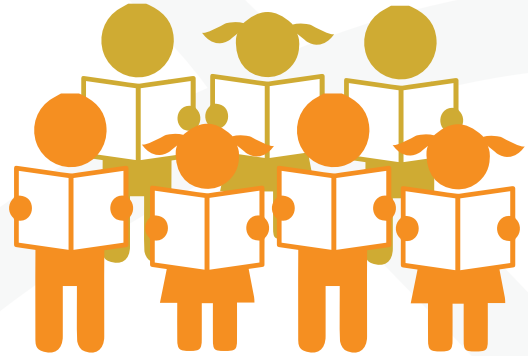


**8,085**  
children increased their savings





- Conducted six study tours, providing 366 girls and boys the opportunity to learn more about their local savings banks' operations and to meet with the manager to learn more about savings, budgets and short and long term financial goals.
- Conducted 568 home visits to 1,590 parents, teaching them about the importance of encouraging their children to save and assisting them to open an account at their local savings bank.
- Delivered 31 workshops to more than 340 teachers educating them about the merits of financial literacy and empowering them to be able to deliver the program in the future.



**73,361** girls and boys have received financial literacy training since 2012



### Sokhdom's smart saving is an inspiration for all

What Australian child hasn't experienced the thrill of receiving a shiny new bike for Christmas? The gift most of us would take for granted is about to make a world of difference for 10-year-old Sokhdom\* and his family in Kampong Chhnang province, Cambodia – and Sokhdom will use his own savings to buy it. As a student of CUFA's financial literacy project, Sokhdom began saving the money he earned by selling cashew nuts after school. He now has enough to buy a bike that will enable him to get to his high school next year – a 20-kilometre round trip – and for his mother to travel to market to sell her rice. Best of all, Sokhdom's success is inspiring other children in his village to embark on their own savings plans too.

\* CUFA is committed to being a child safe organisation. Names of children have been changed.



## Reaching an Independent Economic Life Project - Cambodia

From late 2012 to early 2015, CUFA through the generous support of the Australian Aid program has provided communities, relocated as part of the Cambodian railways project, with much needed financial literacy training, an important step to help build economic independence.

CUFA has assisted 375 families with training courses, one-to-one counselling and a financial helpline in seven core components: understanding financial concepts, family budgeting, sensible borrowing or managing debt repayments, setting and achieving financial goals, micro-business development, financial budgeting, spending and savings and children's financial literacy.

- Since late 2012 the project has delivered 1,550 training sessions, 2,547 hours of face-to-face financial counselling sessions and 228 financial helpline sessions to support 375 households increase their understanding of financial literacy and improve their financial circumstances.
- Assisted 277 self-help group committee members to gain an understanding of the importance of bookkeeping through 148 training sessions, enabling them to operate a more financially accountable and transparent savings group in their community.





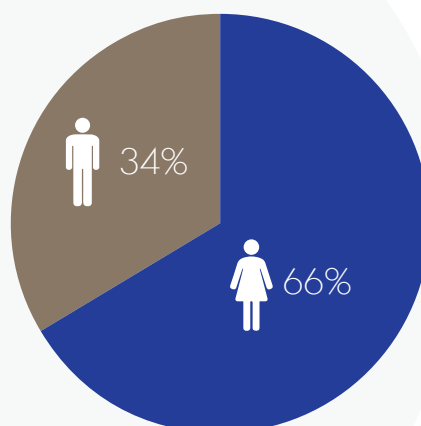
- As result of monthly training and support, the project saw impressive progress in improving the economic situations of women and men, with a 435% average increase in the net financial positions of households as well as a 269% increase in average asset levels.
- Delivered 166 financial literacy lessons to more than 250 children - 55% of them girls - teaching them about the merits of savings and helping to set short term savings goals to purchase items such as bicycles which have assisted them to get to school.



Net financial positions of households increased on average by **435%**



Average asset levels increased by **269%** between December 2012 and March 2015



**66%**  
of training participants were women



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

This project supports the Oceania Confederation of Credit Union Leagues (OCCUL) to develop into a sustainable peak body that can provide a voice to unify and strengthen the community owned financial institution 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, member congresses and technical assistance, OCCUL's Secretariat Office provides community owned financial institutions 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 fifth year, OCCUL has attained substantial achievements with few resources.

Highlights of 2014-15 include:

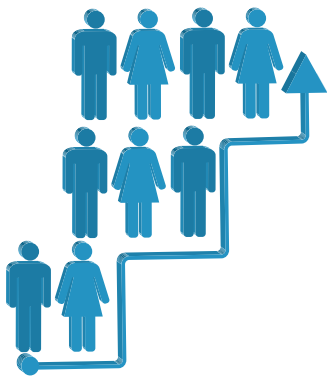
- Membership across Pacific credit unions increased by 10% from 418,691 to 463,121. With up to 70% (UNDP 2013) of Pacific Islanders not having access to basic financial services, increased membership shows OCCUL's success in bridging the gap to greater and more financial services to the economically disadvantaged.
- Led by a skilled Australian volunteer the OCCUL Board developed its new strategic plan which highlights OCCUL's vision and mission to be an influential representative of the Pacific credit union movement on the world stage.
- Welcomed by Fiji's Prime Minister, more than 100 women and men representing credit union movements from across Australia, New Zealand, Canada and the Pacific attended OCCUL's flagship event, the 7th Technical Credit Union Congress. Congress provides an opportunity for credit union advocates to exchange ideas, network and learn from professionals from across the region.
- Through OCCUL's ongoing assistance since 2012, Palau implemented the Credit Union Act which has been adapted by the Palau Financial Commissions Institute to regulate financial services across the country. The act has assisted Palau to increase its credit union membership by 206% in the past year.



## 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 sustainable micro-businesses. The ultimate goal of the program is to provide the opportunity for community owned financial institution 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 themselves out of poverty.

Through the generosity of Community Investors (individual investors), the Village Entrepreneurs receive financial support as well as business vocational skill 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.



**121%** increase in the number of Village Entrepreneurs graduating from the program and now operating a successful micro-enterprise in their community.





**72%** of Village Entrepreneurs are women and **10%** are people with a disability

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 2014-15 include:

- Over the past year the program has had an 11% increase in the number of Village Entrepreneurs being supported, with the average family income increasing by 56%.
- 72% of our Village Entrepreneurs are women and 10% have a disability.
- Through the support of Community Investors and quarterly training Village Entrepreneurs are on average increasing profits by 1305% after three years on the program. Business profits are helping Village Entrepreneurs to support their families with improved health care, educational opportunities as well as community infrastructure such as roads and water and sanitation facilities.



Average family income increased by **56%**



## How Chork's chickens helped change a community

Business opportunities don't come along easily for people with a disability. Which is why Cambodian farmer Chork's story is so inspirational. Blind since birth, Chork was dealt a second blow when his wife passed away. Left with three young children to raise, Chork not only had to face the cultural stigma of his disability, but also cruel taunts that his wife had not died, but run away because he was blind.

Chork's turning point came when CUFA staff persuaded him to join his local savings bank and become a Village Entrepreneur. CUFA had also been working with the local community to destigmatise disability and promote inclusion for all. Chork used his existing knowledge to start a chicken-raising business with his start-up capital.

Supported with vital marketing and financial training from CUFA, three years down the track, Chork has increased his profits by a whopping 2000%. He has not only become self-sufficient, he is educating his children and has played a crucial role in fostering understanding of disability in his community.





## How a single mum turned struggle into success

Life as a single mum is never easy, no matter where you live. For 59-year-old Elsa, from the village of Ritabou on Timor Leste's border with Indonesia, bringing up her two children on virtually no income was a near impossible struggle. So when she received assistance from CUFA in 2013 through the Village Entrepreneur program, Elsa knew it was her chance to transform her family's life. She turned the front room of her house into a small grocery kiosk and received vital business skills like bookkeeping and stock management to build and grow her business as quickly as possible.

Like all Village Entrepreneurs, Elsa benefited from regular visits and training from CUFA, which quickly identified more opportunities for her to expand. Two years later, Elsa's business has grown so much that she has been able to buy a pig and two cows, put some solid savings in her cooperative account, and is looking forward to sending her children to university. She is also one of the most active voices in her local community, making sure she shares her experiences to encourage her entire community to succeed.



## Disaster Relief and Rebuilding after Typhoon Haiyan, Philippines

It was one of the strongest typhoons ever to make landfall. Haiyan struck the Philippines on 8 November 2013 with devastating force, affecting more than 14 million people and wreaking catastrophic damage.

With the speedy launch of its project appeal, CUFA together with the Worldwide Foundation of Credit Unions and the Irish League of Credit Unions Foundation, provided key financial support to one of the worst affected regions - the low-lying Eastern Visayas - to ensure local financial cooperatives were able to immediately help those most affected by the typhoon.

As a result, and despite extensive damage to their buildings and equipment, most of the cooperatives were able re-open within a week, in many cases even before the banks. This astonishing speed greatly boosted trust not only among members but also the wider community.

With security and looting concerns post the typhoon, members turned to the safety of their cooperative to deposit savings that had been originally kept at home. One cooperative even reported members depositing cash that was still soaked from the deluge. With this project now successfully complete, all the cooperatives have increased membership, underlining the respect and trust they continue to have within their communities.



THIS ORVEMPCO BUILDING IS  
SUPPORTED BY **WOCCU**,  
**CUFA**, IRISH LEAGUE OF  
CREDIT UNIONS FOUNDATION, and  
**VICTO National**



# OUR PEOPLE



Without our team of dedicated staff, Board and volunteers in Australia, Bougainville, 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.

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



More than **3,100** hours contributed by our volunteers





## How Myanmar's Country Program Manager found his perfect niche

Kwaw Zin Myo – better known as KZ – loves working hands-on with communities in Myanmar. As CUFA's Country Program Manager in this developing nation, it allows him to put his passion to best use – helping transform lives.

KZ joined CUFA in 2014 after a career in the travel industry. "The main reason I wanted to work with CUFA was to help poor people," he said. He now oversees all CUFA's vital programs in Myanmar, including the groundbreaking of the Credit Union Development project in Taik Kyi township and the Teachers Project in Lashio, as well as overseeing the day to day operations of the Myanmar office.

"The most enjoyment for me is working with the grass roots and getting to know more about their livelihoods in order to help them," said KZ, who is married with a baby daughter. One of his proudest achievements so far? "To see the Credit Union Development Project in Taik Kyi progressed by my own hand, and approved with the cooperation of the Taik Kyi Government."

This transformational project has given around 3,000 of the most vulnerable people in Taik Kyi access for the first time ever to affordable financial services. To put KZ's achievements into perspective, setting up a project of this scale in Myanmar is no mean feat, and required close negotiation with multiple stakeholders including the Minister for Social Affairs in the Yangon Region, the city and township governors, village group chiefs and community leaders.

KZ is only just getting started. He has firm ambitions to develop much-needed projects throughout Myanmar, from Credit Union Development projects to Childrens' Financial Literacy and Village Entrepreneur projects.

As he puts it himself: "I really believe that this kind of education can move them out of poverty."



## From classroom to international community champion

With his background as an English teacher and as a health and welfare researcher in rural communities, CUFA's International Program Manager Kundi Lay now provides the vital link between all our international offices and Sydney HQ.

As CUFA's first international staff member, Kundi helped set up the Cambodian office in 2007, now CUFA's largest. "The number of projects has increased from two to five, with staff increasing from 10 to 53, supporting nearly one million local people," he said. As testament to the Cambodian projects' success in raising living standards and financial literacy, incomes have increased on average by over 100%, from US \$1.50 a day to US \$3.50 a day.

"A highlight for me is that children in remote areas now have the ability to save money and set a plan for their great future," he added.

A dynamic and passionate leader, Kundi's most recent win was a visit to Myanmar, resulting in CUFA expanding the Yangon region project to 30 villages. When he's not in the field travelling, Kundi spends time with his supportive extended family. "I have mother, sisters and brother – they are all very much part of my life, they give me strength, courage and patience – they are water to put on my fire," he admits.

What drives his passion? "Everyone in CUFA is a gem. Each of us works well with each other. We work hard and smart to achieve the same goal – to help the poor."





*"I am so grateful to CUFA for their fantastic support, mentoring and enhancement of professional development opportunities for its staff."*

## Flying high for the Pacific region

It's no wonder CUFA's Luse Tamani is beaming with pride in the picture above, taken at the World Council of Credit Unions annual conference. As Fiji's official representative at WOCCU for the past three years, Pacific Secretariat Officer Luse is a perfect example of the passion and dedication that drive CUFA in the Asia Pacific region.

Luse joined CUFA in 2010 determined to use her experience to help credit unions grow, and now spends her days knee-deep in the daily operations of the Oceania Confederation of Credit Union Leagues (OCCUL), as well as operating as country manager for Fiji. She took over as Secretariat Officer in 2013, "and the rest, they say, is history!" laughed the bubbly mother of four, who winds down by relaxing with her family or with her mother and sisters, sharing a self-confessed wicked sense of humour!

One of her most rewarding achievements so far has been organizing OCCUL's premiere event – the annual Pacific Credit Union Technical Congress which ran for three days in October this year. "Months of planning and preparations culminated in meeting up and engaging with our members from around the Oceania region," she explained. "It was an enlightening time for all involved: the interactions, the lessons shared and learned, best practices acknowledged, and experiences exchanged are valuable to everyone.

"I'm always humbled and inspired by our members who invest funds and time to attend the event every year," she said. "Delegates take back with them significant findings, new knowledge and skills to apply back in their home countries. "



# THANK YOU

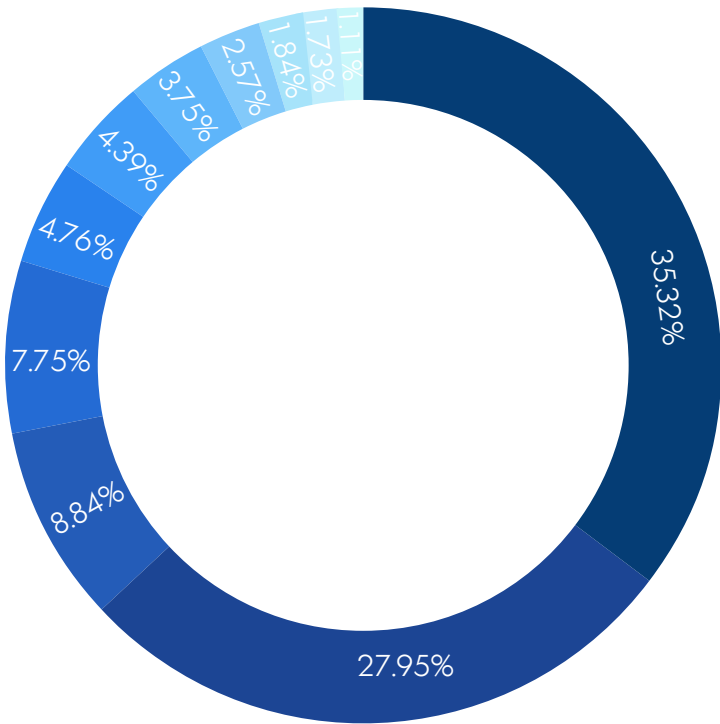


Our work would not be possible without the generous support from the Australian Government, our members, and a range of corporate donors, mutuals and individual donors. Without your support we would not be able to deliver the sustainable development programs that have reached over four million people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

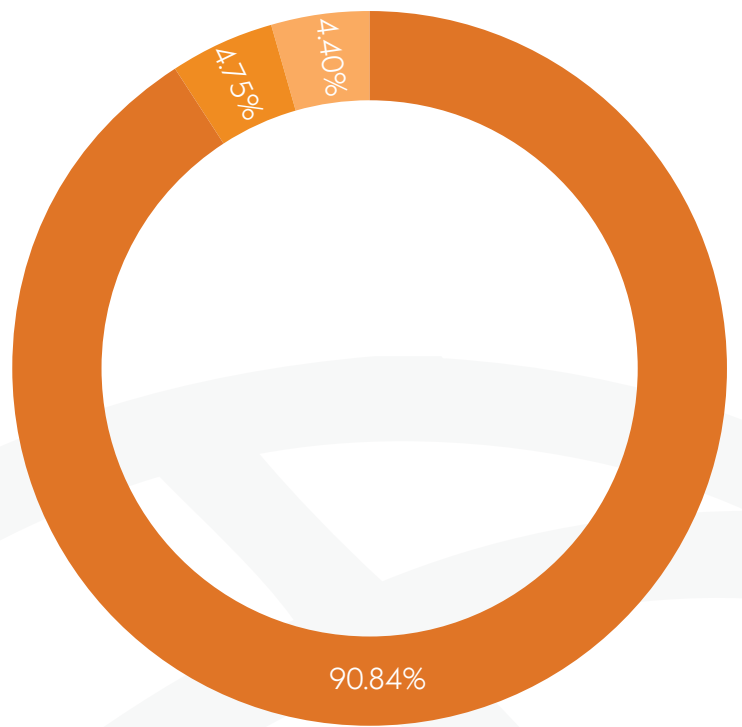
The following gives a plain English summary of how CUFA raised and spent funds in both our International and Domestic Projects. It is also noted that CUFA Directors receive no financial benefit for their time and commitment on CUFA's Board.



## How we raised our funds in 2014 -15

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





### How we spent our funds in 2014 -15

- International Programs
- Administration Costs
- Fundraising Costs

# APPENDIX: FINANCIAL STATEMENTS

**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 2015**

<b>CONTENTS</b>	<b>Page No.</b>
Information on Trustee	1
Independent Auditor’s Report	3
Trustee’s Declaration	4
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Notes to the Financial Statements	9

### **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 MEC, BBus Accting/DP, FCPA, AICD, SF Fin, FAMI, MACS, JP (Chair)**

Appointed 14 September 2010

#### **Experience:**

Chief Executive Officer, Summerland Credit Union

Foundation Member of Cooperatives Alliance

16 years credit union CEO

5 years credit union experience as credit union Deputy Chairperson

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:**

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

#### **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

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:**

17 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 Investment  
4 years Managing Director, Business analytics

**Directorships in Other Entities:**

Grains Research and Development Corporation  
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)  
Nyamba Buru Yawuru Ltd  
Dairy Authority of South Australia (Chair)  
Vinehealth Australia

**Other Declared Interests:**

Member of Institute of Corporate Directors AICD  
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

**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 2015 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



Don Cross  
*Partner*

Canberra

10 November 2015

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

**Trustee's Declaration**

The financial report on pages 5 to 22 for the financial year ended 30 June 2015 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, 10 November 2015

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

**Statement of Comprehensive Income**

**For the financial year ended 30 June 2015**

	Notes	2015 \$	2014 \$
<b>REVENUE</b>			
<b>Donations and gifts</b>			
Monetary	3	<b>821,255</b>	931,559
<b>Grants</b>			
Australian Government Grants	3	<b>912,733</b>	942,220
<b>Investment Income</b>			
		<b>32,322</b>	34,745
<b>Other Income</b>			
Other Project Services (Non-Monetary)	4	<b>141,403</b>	124,366
Miscellaneous Income		-	-
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>		<b>1,907,713</b>	2,032,890
<b>EXPENSES</b>			
<b>International Aid and Development Programs Expenditure</b>			
International programs:			
Funds to international programs	5	<b>1,526,217</b>	1,596,680
Fundraising costs:			
Public		<b>70,309</b>	53,944
Accountability and Administration	6	-	-
Non-Monetary expenditure	4	<b>141,403</b>	124,366
<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</b>		<b>1,737,929</b>	1,774,990
<b>EXCESS OF REVENUE OVER EXPENSES FROM CONTINUING OPERATIONS</b>		<b>169,784</b>	257,900
<b>Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>169,784</b>	257,900

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

**Balance Sheet**

**As at 30 June 2015**

	<b>Notes</b>	<b>2015</b> \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	<b>3,096,217</b>	1,875,745
Trade and other receivables	7	<b>72,326</b>	39,937
<b>Total Assets</b>		<b><u>3,168,543</u></b>	<u>1,915,683</u>
<b>Current Liabilities</b>			
Other liabilities	8	<b>1,134,369</b>	51,293
<b>Total Liabilities</b>		<b><u>1,134,369</u></b>	<u>51,293</u>
<b>Net Assets</b>		<b><u>2,034,174</u></b>	<u>1,864,390</u>
<b>Equity</b>			
Retained Earnings		<b>2,034,174</b>	1,864,390
<b>Total Equity</b>		<b><u>2,034,174</u></b>	<u>1,864,390</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 2015 and 2014 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 2015 and 2014 financial years, there were no Non-Current Assets.

**Current and Non-Current Liabilities:**

At the end of both the 2015 and 2014 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 2015 and 2014 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 2015**

**Statement of Changes in Equity**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>2015</b>		
Balance as at 1 July 2014	<b>1,864,390</b>	<b>1,864,390</b>
Excess of revenue over expenses for the year	<b>169,784</b>	<b>174,507</b>
Balance as at 30 June 2015	<b>2,034,174</b>	<b>2,038,897</b>
<b>2014</b>		
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	1,864,390	1,864,390

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 2015**

	<b>Notes</b>	<b>2015 \$</b>	<b>2014 \$</b>
<b>Cash flows from operating activities</b>			
Donations received		<b>337,467</b>	274,754
DFAT grants received		<b>1,847,189</b>	942,220
Funds raised for specific initiatives		<b>534,075</b>	748,411
Fundraising expenses		<b>(70,309)</b>	(53,944)
Expenditure on DFAT projects		<b>(883,661)</b>	(910,027)
Expenditure on other projects		<b>(576,611)</b>	(562,397)
<b>Net cash provided by operating activities</b>	9 (b)	<b><u>1,188,150</u></b>	<u>439,017</u>
<b>Cash flows from investing activities</b>		<b><u>32,322</u></b>	<u>34,745</u>
<b>Cash flows from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	10	<b><u>1,220,472</u></b>	<u>473,762</u>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b><u>1,875,745</u></b>	<u>1,401,983</u>
<b>Cash and cash equivalents at the end of the financial year</b>	9(a)	<b><u>3,096,217</u></b>	<u>1,875,745</u>

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 2015

### Note Contents

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

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

## **Notes to the Financial Statements For the financial year ended 30 June 2015**

### **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, there were no Standards and Interpretations that were on issue but not yet effective that will have a significant impact on the Financial Statements of the Trust.

### **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 Australian Council for International Development (ACFID) Code of Conduct.

The financial statements for the year ended 30 June 2015 were approved and authorised for issue by the board of directors of the Trustee on 10 November 2015.

#### **Summary of accounting policies**

##### **a. Overall considerations**

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

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

##### **b. Revenue**

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

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

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the

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

### **Notes to the Financial Statements For the financial year ended 30 June 2015**

criteria for each of the Trust's different activities have been met. Details of the activity-specific recognition criteria are described below.

#### **(i) Government grants**

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

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

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

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

#### **(ii) Donations and bequests**

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

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

#### **(iii) Interest income**

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

### **c. Operating expenses**

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

Where expenditure is incurred in a foreign currency these payments are made from the Trust's foreign currency account. The expense is recognised with reference to the AUD to foreign currency exchange rate realised upon the date of the most recent fund transfer to foreign currency accounts. Foreign currency accounts are injected with additional funds on a quarterly basis.

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

### **Notes to the Financial Statements For the financial year ended 30 June 2015**

#### **d. Leases**

##### **(i) Operating leases**

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

#### **e. Financial instruments**

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

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

##### **(i) Classification and subsequent measurement of financial assets**

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

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

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

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

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

##### *Loans and receivables*

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

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

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

### **Notes to the Financial Statements For the financial year ended 30 June 2015**

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.

### **(ii) Classification and subsequent measurement of financial liabilities**

The Trust's financial liabilities include Other Liabilities and Provisions. 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.

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

### **Notes to the Financial Statements For the financial year ended 30 June 2015**

#### **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.

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 2015**

	<b>2015</b>	2014
	\$	\$
<b>3. Non-interest revenue from ordinary activities</b>		
<b>Donations and gifts – Monetary</b>		
Other Australian Donations	<b>274,381</b>	260,366
Children’s Financial Literacy-Cambodia	<b>1,070</b>	865
Participation Fees-Cambodia Leadership		
Challenge	<b>15,882</b>	19,000
Participation Fees Pacific Credit Union		
Technical Congress	<b>39,202</b>	34,347
Leadership - Pacific	<b>8,600</b>	13,600
Village Entrepreneur Program	<b>104,186</b>	95,825
Fundraising-Asia	<b>17,074</b>	25,142
Fundraising-Pacific	<b>11,523</b>	14,485
Other Funds	<b>109,337</b>	67,929
COBA	<b>240,000</b>	400,000
	<hr/>	<hr/>
Total Donations and Gifts - Monetary	<b>821,255</b>	931,559
<b>Grants</b>		
Australian Government Grants	<b>912,733</b>	942,220
	<hr/>	<hr/>
	<b>912,733</b>	942,220
Total non-interest revenue from ordinary activities	<hr/> <b>1,733,987</b> <hr/>	<hr/> 1,873,778 <hr/>

**4. Other project services (Non-Monetary)**

	<b>2015</b>	2014
	\$	\$
These are represented by:		
<u>Project Costs</u>		
Volunteers	<b>89,334</b>	72,298
<u>Administration Costs</u>		
Equipment, services and accommodation		
- COBA/Abacus Australian Mutuals Pty Ltd	<b>52,069</b>	52,068
Total	<hr/> <b>141,403</b> <hr/>	<hr/> 124,366 <hr/>

Volunteers’ services are recognised on the basis of time spent and represent 116 days (2014: 210 days).

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

**Notes to the Financial Statements  
For the financial year ended 30 June 2015**

<b>5. Funding expenses</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Funds to overseas projects		
DFAT projects	<b>892,874</b>	910,027
Myanmar	<b>68,722</b>	74,704
Financial Literacy Program	<b>24,497</b>	22,475
Leadership-Asia	<b>9,556</b>	13,195
Pacific Credit Union Technical Congress	<b>28,729</b>	57,880
Cambodia Riel Project	<b>134,943</b>	162,474
Cambodia Building Trust	<b>35</b>	315
Pacific Leadership	<b>10,157</b>	10,127
India	-	-
Australian Council for International	<b>28,141</b>	22,261
Development	<b>24,544</b>	-
Bougainville Youth Project		
Progress Out of Poverty	-	-
Village Entrepreneur	<b>92,793</b>	144,247
Board Education and Familiarisation	<b>8,554</b>	19,485
Oceanic Confederation of Credit Union	<b>14,585</b>	41,770
Leagues		
Hall of Honour	-	-
Other projects	<b>188,086</b>	117,720
Total funds to overseas projects	<b>1,526,216</b>	1,596,680
<b>6. Accountability and Administration</b>		
The audit of the Trust is completed by KPMG for no fee.		
<b>7. Trade &amp; Other receivables</b>		
Other receivables	<b>72,326</b>	39,937
Total other receivables	<b>72,326</b>	39,937
<b>8. Other liabilities</b>		
Intercompany Liability	<b>16,929</b>	4,806
Trade Creditors	<b>173,875</b>	37,760
Deferred Income	<b>940,247</b>	-
Project Accruals	<b>3,319</b>	8,727
Total other liabilities	<b>1,134,370</b>	51,293

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

**Notes to the Financial Statements  
For the financial year ended 30 June 2015**

**9. Notes to cash flow**

**a. Reconciliation of cash and cash equivalents**

- Cash at bank – Other ADIs	<b>1,712,776</b>	967,071
- Deposits at call - CUSCAL	<b>784,327</b>	784,327
- Cash on hand	<b>599,114</b>	124,347
Total cash and cash equivalents	<b>3,096,217</b>	1,875,745

**b. Reconciliation of excess of revenue over expenses to net cash flow from operating activities**

Excess of revenue over expenses for the year	<b>169,783</b>	257,900
Less non-cash		
Receipts	<b>(141,403)</b>	(124,366)
Expense	<b>141,403</b>	124,366
Less interest received	<b>(32,322)</b>	(34,745)
(Increase)/Decrease in Prepayments	-	175,800
(Increase)/Decrease in receivables	<b>(32,389)</b>	61,221
Increase/(Decrease) in intercompany payable	<b>12,123</b>	(11,219)
Increase/(Decrease) in trade creditors	<b>136,115</b>	25,414
Increase/(Decrease) in deferred income	<b>940,247</b>	(660)
Increase/(Decrease) in project accruals	<b>(5,408)</b>	(34,691)
Net cash provided by operating activities	<b>1,188,150</b>	439,020
Income from investing activity	<b>32,322</b>	34,745
<b>Net Cash flow</b>	<b>1,220,471</b>	473,765

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

**Notes to the Financial Statements  
For the financial year ended 30 June 2015**

**10. Table of cash movements for designated purposes**

<b>2015 Purpose</b>	<b>Cash available at 30 June 2014</b>	<b>Cash raised during 2014/2015</b>	<b>Cash disbursed during 2014/2015</b>	<b>Cash available at 30 June 2015</b>
Sri Lanka Reconstruction Project	2,739	-	-	2,739
Pacific Congress	8,915	48,738	(28,729)	28,924
Cambodia Children's Financial Literacy	(5,732)	1,070	(24,497)	(29,159)
Leadership-ASIA	49,383	11,400	(9,556)	51,227
Oceanic Confederation of Credit Union Leagues	-	1,672	(14,585)	(12,913)
Leadership-PACIFIC	17,422	-	-	17,422
Cambodia Building Trust	(315)	-	-	(315)
Australian Council for International Development	(18,760)	-	(28,141)	(46,901)
Bougainville Youth Project	-	959,000	(24,544)	934,456
Timor Leste	-	247,162	(247,162)	-
Village Entrepreneur	(6,339)	104,185	(92,794)	5,052
Myanmar	-	68,722	(68,722)	-
Fundraising-ASIA	72,849	11,962	-	84,811
Fundraising-Pacific	104,365	11,523	-	115,888
100 Cam Chall Fundraising	-	5,112	(173)	4,939
100 Cam Chall Registration	-	4,482	-	4,482
DFAT – RIEL Cambodia	57,434	129,257	(134,943)	51,748
Other Purposes				
<b>Total</b>	<b>1,593,784</b>	<b>645,444</b>	<b>(355,411)</b>	<b>1,883,817</b>
	<b>1,875,745</b>	<b>2,249,729</b>	<b>(1,029,257)</b>	<b>3,096,217</b>
Net cash flow by designated purpose for the year (Refer Cash Flow Statement)			1,220,471	

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

**Notes to the Financial Statements  
For the financial year ended 30 June 2015**

**10. Table of cash movements for designated purposes (continued)**

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)
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
DFAT – 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 2015**

**11. Financial instruments disclosures**

	<b>2015</b>	2014
	\$	\$
Carrying value:		
Cash at a Bank (at call)	<b>1,712,776</b>	967,071
Deposits at call	<b>784,327</b>	784,327
Cash on hand	<b>599,114</b>	124,347
Total carrying value	<b><u>3,096,217</u></b>	<u>1,875,745</u>

**Fair value**

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

**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	<b>Decrease 0.5%</b>		<b>Increase 0.5%</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	\$	\$	\$	\$
Profit or loss	<b>(15,481)</b>	(9,378)	<b>15,481</b>	9,378

**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 2015**

**11. Financial instruments disclosures (continued)**

**Contractual undiscounted cash flows of financial liabilities**

**2015**

	<b>At Call</b>	<b>3 Months or less</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>No Maturity Specified</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Liabilities</b>							
Other payables	-	<b>31,083</b>	<b>95,851</b>	-	-	<b>63,869</b>	<b>190,803</b>
<b>Total</b>	-	<b>31,083</b>	<b>95,851</b>	-	-	<b>63,869</b>	<b>190,803</b>

**2014**

**Financial Liabilities**

Other payables	-	<b>27,357</b>	<b>23,936</b>	-	-	-	<b>51,293</b>
<b>Total</b>	-	<b>27,357</b>	<b>23,936</b>	-	-	-	<b>51,293</b>

**Liquidity risk management**

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

**12. Related party disclosures**

**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 (2014: nil).

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

**Notes to the Financial Statements  
For the financial year ended 30 June 2015**

**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:  
Suite 704A,275 Alfred Street,  
North Sydney, NSW 2060,Australia



## **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 2015, 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



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 10 November 2015, 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.

#### *Qualified 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 2015 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 2015, 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 2015, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947*.

KPMG

Don Cross  
*Partner*

Canberra

17 November 2015



**CREDIT UNION FOUNDATION AUSTRALIA TRUST FUND  
ANNUAL FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

## Credit Union Foundation Australia Trust Fund

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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 MEd, BBus Accting/DP, FCPA, AICD, SF Fin, FAMI, MACS, JP (Chair)**

Appointed 14 September 2010

#### **Experience:**

Chief Executive Officer, Summerland Credit Union

Foundation Member of Cooperatives Alliance

16 years credit union CEO

5 years credit union experience as credit union Deputy Chairperson

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:**

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

#### **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

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:**

17 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 Investment  
4 years Managing Director, Business analytics

#### **Directorships in Other Entities:**

Grains Research and Development Corporation  
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)  
Nyamba Buru Yawuru Ltd  
Dairy Authority of South Australia (Chair)  
Vinehealth Australia

#### **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

**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 2015 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



Don Cross  
*Partner*

Canberra

10 November 2015

## Credit Union Foundation Australia Trust Fund

### Trustee's Declaration

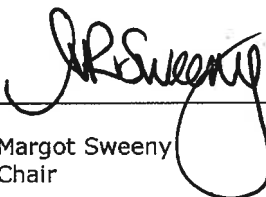
The financial report on pages 5 to 18 for the financial year ended 30 June 2015 has been prepared as required by the Trust Deed.

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:

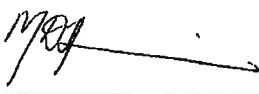
- a) in the Trustee's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- b) In the Trustee's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving a true 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



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Margot Sweeny  
Chair



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Madeline Dermatossian  
Director

Sydney, 10 November 2015

## Credit Union Foundation Australia Trust Fund

### Statement of Comprehensive Income

For the financial year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>Revenue</b>			
Interest income		<b>14,613</b>	15,093
Development education fees		-	-
Other project services (Non-monetary)	3	<b>15,711</b>	13,818
<b>Total revenue from ordinary activities</b>		<b>30,324</b>	28,911
<b>Expenses</b>			
Other project services (Non-monetary)	3	<b>15,711</b>	13,818
Development education expenses		-	3,810
Administration expenses	4	-	-
<b>Total expenses from ordinary activities</b>		<b>15,711</b>	17,628
<b>Excess of revenue over expenses from continuing operations</b>		<b>14,613</b>	11,283
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income</b>		<b>14,613</b>	11,283

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 2015

	Notes	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	<b>300,434</b>	287,881
Cash in term deposit		<b>350,000</b>	350,000
Other receivables	5	<b>3,783</b>	1,724
<b>Total current assets</b>		<b>654,217</b>	639,605
<b>Current Liabilities</b>			
Other liabilities	6	-	-
<b>Total current liabilities</b>		-	-
<b>Net Assets</b>		<b>654,217</b>	639,605
<b>Equity</b>			
Retained Earnings		<b>497,777</b>	483,165
Reserve - Steve Birt Endowment Fund		<b>156,440</b>	156,440
<b>Total Equity</b>		<b>654,217</b>	639,605

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 \$
<b>For the financial year ended 30 June 2015</b>			
Balance at the beginning of the financial year	<b>483,165</b>	<b>156,440</b>	<b>639,605</b>
Total Comprehensive Income	<b>14,612</b>	-	<b>14,612</b>
Balance at the end of the financial year	<b>497,777</b>	<b>156,440</b>	<b>654,217</b>
<b>For the financial year ended 30 June 2014</b>			
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

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 2015

	Notes	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Interest received		<b>12,553</b>	15,093
Development education funding received		-	-
Development education expenditure		-	-
Administration expenses paid		-	(4,314)
<b>Net cash provided by operating activities</b>	7 (b)	<b>12,553</b>	10,779
<b>Cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		<b>12,553</b>	10,779
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>287,881</b>	277,102
<b>Cash and cash equivalents at the end of the financial year</b>	7 (a)	<b>300,434</b>	287,881

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 2015

#### **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 2015**

#### **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, there were no Standards and Interpretations that were on issue but not yet effective that will have a significant impact on the Financial Statements of the Trust.

#### **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 2015 were approved and authorised for issue by the board of directors of the Trustee on 10 November 2015.

##### **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.

## **Credit Union Foundation Australia Trust Fund**

### **Notes to the Financial Statements For the financial year ended 30 June 2015**

#### **(i) Government grants**

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

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

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

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

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

#### **(ii) Donations and bequests**

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

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

#### **(iii) Interest income**

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

#### **c. Operating expenses**

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

#### **d. Leases**

##### **(i) Operating leases**

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

**Notes to the Financial Statements  
For the financial year ended 30 June 2015**

**e. Financial instruments**

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

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

**(i) Classification and subsequent measurement of financial assets**

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

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

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

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

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

*Loans and receivables*

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

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

## Credit Union Foundation Australia Trust Fund

### Notes to the Financial Statements For the financial year ended 30 June 2015

#### *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 payables. 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.

**Notes to the Financial Statements  
For the financial year ended 30 June 2015**

**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 (Cth)*.

**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.

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 2015

	2015 \$	2014 \$
<b>3. Other project services</b>		
These are represented by:		
<u>Development Education</u>		
Volunteers	<b>9,926</b>	7,530
<u>Administration costs</u>		
Employment costs		
COBA/Abacus - Australian Mutuals Limited	-	-
Volunteer Services	-	503
Equipment, Accommodation, and Other Services		
COBA/Abacus - Australian Mutuals Limited	<b>5,785</b>	5,785
Cuscal Limited	-	-
Total services in kind	<b>15,711</b>	13,818
Volunteers' services are recognised on the basis of time spent and represents 13 days (2014: 30 days).		
<b>4. Administration expenses</b>		
The audit of the Trust is completed by KPMG for no fee.		
<b>5. Other receivables</b>		
Sundry debtors	<b>3,783</b>	1,724
Total other receivables	<b>3,783</b>	1,724
<b>6. Other liabilities</b>		
Accounts payable and accrued expenses	-	-
Total other liabilities	-	-

## Credit Union Foundation Australia Trust Fund

### Notes to the Financial Statements For the financial year ended 30 June 2015

	2015 \$	2014 \$
<b>7. Notes to cash flow</b>		
<b>a. Reconciliation of cash and cash equivalents</b>		
With Cuscal Limited:		
- Cash at a Bank	65,342	52,789
- Deposits at call	235,092	235,092
Total cash and cash equivalents	<u>300,434</u>	<u>287,881</u>
<b>b. Reconciliation of excess revenue over expenses to net cash flow from operating activities</b>		
Excess of revenue over disbursements for the year	14,612	11,283
Decrease/(Increase) in other receivables	(2,059)	234
Decrease in other liabilities	-	(738)
<b>Net cash flow provided by operating activities</b>	<u>12,553</u>	<u>10,779</u>
<b>8. Financial instruments disclosures</b>		
Carrying value:		
Cash at a Bank (at call)	65,342	52,789
Deposits at call	235,092	235,092
Fixed term deposit	350,000	350,000
Total carrying value	<u>650,434</u>	<u>637,881</u>

#### Fair Value

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

## Credit Union Foundation Australia Trust Fund

### Notes to the Financial Statements For the financial year ended 30 June 2015

#### 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%	
	2015	2014	2015	2014
	\$	\$	\$	\$
Profit or loss	(3,252)	(3,189)	3,252	3,189

##### 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.

#### 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 (2014: 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:

Suite 704A, 275 Alfred Street, North Sydney, NSW 2060 Australia



## **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 2015, 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.



### *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 10 November 2015, 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 2015 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 2015, 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 2015, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947*.

KPMG

Don Cross  
*Partner*

Canberra

17 November 2015

**Credit Union Relief Fund**  
ABN 39 255 175 137

**ANNUAL FINANCIAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

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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 MEd, BBus Accting/DP, FCPA, AICD, SF Fin ,FAMI, MACS,JP (Chair)**

Appointed 14 September 2010

#### **Experience:**

Chief Executive Officer, Summerland Credit Union

Foundation Member of Cooperatives Alliance

16 years credit union CEO

5 years credit union experience as credit union Deputy Chairperson

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:**

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

### **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

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:**

17 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 Investment  
4 years Managing Director, Business analytics

**Directorships in Other Entities:**

Grains Research and Development Corporate  
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)  
Nyamba Buru Yawuru Ltd  
Dairy Authority of South Australia (Chair)  
Vinehealth Australia

**Other Declared Interests:**

Member of Institute of Corporate Directors AICD  
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

**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 2015 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



Don Cross  
*Partner*

Canberra

10 November 2015

**Credit Union Relief Fund**  
ABN 39 255 175 137

**Credit Union Relief Fund**

**Trustee's Declaration**

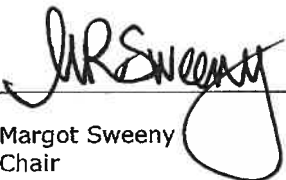
The financial report on pages 5 to 15 for the financial year ended 30 June 2015 has been prepared as required by the Trust Deed.

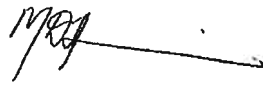
The auditor of the Relief Fund, KPMG, has been appointed by the Trustee in accordance with the Trust Deed and has conducted an audit of the financial report.

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 Sweeney  
Chair

  
\_\_\_\_\_  
Madeline Dermatossian  
Director

Sydney, 10 November 2015

## Statement of Comprehensive Income

For the financial year ended 30 June 2015

	2015 \$	2014 \$
<b>Revenue</b>		
Bushfire appeal funds collected	-	5,999
<b>Total revenue from ordinary activities</b>	<u>-</u>	<u>5,999</u>
<b>Expenses</b>		
Bushfire appeal proceeds paid to Salvation Army	-	5,989
Administration expense	-	10
<b>Total expenses from ordinary activities</b>	<u>-</u>	<u>5,999</u>
<b>Other Comprehensive Income</b>	<u>-</u>	<u>-</u>
<b>Total Comprehensive Income</b>	<u><u>-</u></u>	<u><u>-</u></u>

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

**Balance Sheet**

**As at 30 June 2015**

	<b>2015</b>	2014
	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	<b>103</b>	103
<b>Total Current Assets</b>	<b>103</b>	103
<b>Net Assets</b>	<b>103</b>	103
<b>Equity</b>		
Settled funds	<b>103</b>	103
Accumulated Funds	-	-
<b>Total Equity</b>	<b>103</b>	103

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

**Statement of Changes in Equity**

		\$	\$
	<b>Accumulated Funds</b>	<b>Settled Funds</b>	<b>Total</b>
<b>For the financial year ended 30 June 2015</b>			
Settled Funds	-	<b>103</b>	<b>103</b>
Total Comprehensive Income	-		-
Balance at the end of the financial year	-	<b>103</b>	<b>103</b>
<b>For the financial year ended 30 June 2014</b>			
Settled Funds		103	103
Total Comprehensive Income	-	-	-
Balance at the end of the financial year	-	103	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 2015**

	<b>Note</b>	<b>2015</b>	2014
		<b>\$</b>	\$
<b>Cash flows from operating activities</b>			
Interest received & Other donations		-	5,999
Administration expenses		-	5,999
		<hr/>	<hr/>
<b>Net cash provided by operating activities</b>		-	-
<b>Cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
		<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>		-	-
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>103</b>	103
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	4	<b>103</b>	103

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 2015**

**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 2015**

**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, there were no Standards and Interpretations that were on issue but not yet effective that will have a significant impact on the Financial Statements of the Trust.

**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 2015 were approved and authorised for issue by the board of directors of the Trustee on 10 November 2015.

**Notes to the Financial Statements**  
**For the financial year ended 30 June 2015**

**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 2015**

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 2015**

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 2015**

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.

**(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 2015**

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.

**3. Auditor's remuneration**

The audit of the Trust is completed by KPMG for no fee.

**4. Financial instruments disclosures**

	<b>2015</b>	2014
	\$	\$
<b>Carrying value:</b>		
Cash and cash equivalents	<b>103</b>	103

**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 2015**

**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 (2014: 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:

Suite 704A, 275 Alfred Street  
North Sydney NSW 2060 Australia



## **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 2015, 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



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.

#### *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 10 November 2015 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 2015 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 2015, 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 2015, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947*.

KPMG

KPMG

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

Don Cross  
*Partner*

Canberra

17 November 2015

**CUFA Ltd**

**CUFA Ltd**  
**ABN 14 163 481 329**

**ANNUAL FINANCIAL REPORT**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015**

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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 MEd, BBus Accting/DP, FCPA, AICD, SF Fin, FAMI, MACS, JP (Chair)**

Appointed 01 July 2013

#### **Experience:**

Chief Executive Officer, Summerland Credit Union

Foundation Member of Cooperatives Alliance

16 years credit union CEO

5 years credit union experience as credit union Deputy Chairperson

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:**

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

#### **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

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

**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 2015 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



Don Cross  
*Partner*

Canberra

10 November 2015

**CUFA Ltd**

**CUFA Ltd**

**Director's Declaration**

The financial report on pages 5 to 14 for the financial year ended 30 June 2015 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.

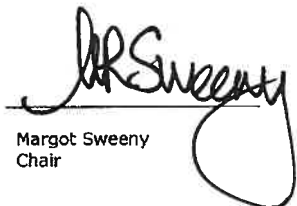
The auditor of the CUFA Ltd, KPMG, has been appointed by the Directors and has conducted an audit of the financial report.

The Directors declare that:

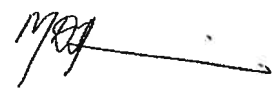
- a) In the Directors opinion, there are reasonable grounds to believe that CUFA Ltd will be able to pay its debts as and when they become due and payable;
- b) In the Directors opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits 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, 10 November 2015

## Statement of Comprehensive Income

For the financial year ended 30 June 2015

	2015 \$	2014 \$
<b>Revenue</b>		
Management fee income	479,624	400,551
Interest earned	1,741	1,817
Other project Services	716	-
<b>Total revenue from ordinary activities</b>	<b>482,081</b>	402,368
<b>Expenses</b>		
Personnel Expenses	471,403	395,603
Administration expense	78	109
Board Expenses	8,222	4,948
<b>Total expenses from ordinary activities</b>	<b>479,703</b>	400,660
<b>Other Comprehensive Income</b>	-	-
<b>Total Comprehensive Income</b>	<b>2,378</b>	1,708

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

**Balance Sheet**

**As at 30 June 2015**

	<b>2015</b>	2014
	\$	\$
<b>Current Assets</b>		
Cash on hand	<b>110,745</b>	97,021
Other receivables	<b>16,928</b>	4,806
<b>Total Current Assets</b>	<b>127,673</b>	101,827
<b>Current Liabilities</b>		
Other Liabilities	<b>20,367</b>	6,917
Provision for Annual Leave and Long Service Leave	<b>98,447</b>	93,152
Accrued Expense	<b>4,723</b>	-
<b>Total Current Liabilities</b>	<b>123,537</b>	100,069
<b>Net Assets</b>	<b>4,136</b>	1,758
<b>Equity</b>		
Settled funds	<b>50</b>	50
Retained Earnings	<b>1,708</b>	1,708
Accumulated Funds	<b>2,378</b>	-
<b>Total Equity</b>	<b>4,136</b>	1,758

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

**Statement of Changes in Equity**

		\$	\$
<b>For the financial year ended 30 June 2015</b>	<b>Accumulated Funds</b>	<b>Settled Funds</b>	<b>Total</b>
Balance as at 1 Jul 2015	<b>1,708</b>	<b>50</b>	<b>1,758</b>
Total Comprehensive Income	<b>2,378</b>	<b>-</b>	<b>2,378</b>
Balance at the end of the financial year	<b>4,086</b>	<b>50</b>	<b>4,136</b>
<b>For the financial year ended 30 June 2014</b>	<b>Accumulated Funds</b>	<b>Settled Funds</b>	<b>Total</b>
Settled Funds		50	50
Total Comprehensive Income	1,708	-	1,708
Balance at the end of the financial year	1,708	50	1,758

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 2015**

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Interest received & Management Fee income		<b>469,959</b>	397,562
Administration expenses		<b>456,235</b>	300,591
<b>Net cash provided by operating activities</b>		<b>13,724</b>	96,971
<b>Cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		<b>13,724</b>	96,971
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>97,021</b>	50
<b>Cash and cash equivalents at the end of the financial year</b>		<b>110,745</b>	97,021

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 2015**

**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 2015**

**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, there were no Standards and Interpretations that were on issue but not yet effective that will have a significant impact on the Financial Statements of the Entity.

**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 2015 were approved and authorised for issue by the board of directors of the Trustee on 10 November 2015.

**Notes to the Financial Statements  
For the financial year ended 30 June 2015**

**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.

**(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 2015**

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).

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 2015**

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**

The audit of the entity is completed by KPMG for no fee.

**4. Financial instruments disclosures**

	<b>2015</b>	2014
	\$	\$
<b>Carrying value:</b>		
Cash on hand	<u><b>110,745</b></u>	<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 2015**

**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 (2014: 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:

Suite 704A, 275 Alfred Street  
North Sydney NSW 2060 Australia



## **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 2015, 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.



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 10 November 2015 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 2015 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 2015, 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 2015, has complied in all material respects with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947*.

KPMG

Don Cross  
*Partner*

Canberra

17 November 2015



# CUFA

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