



CUFA ANNUAL REPORT 2011-12

Developing People



CUFA

Strengthening Communities

Contents

Chair's Introduction	3
Executive Officer's Introduction	4
About CUFA	5
CUFA's Work	7
Our Programs	8
Summary of Financial Statements	12
Appendix: Financial Statements	14

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Photo Credit: Claudio Raschella

Chair's Introduction



Welcome to our Annual Report, outlining a very successful 2011-12. CUFA would like to thank all of our terrific supporters and friends who have helped make this year a successful one, albeit in challenging financial times.

Yet again it has been a busy year for the CUFA family. In mid March, CUFA's staff and board met in Phnom Penh for CUFA's Strategic and Operational Planning. The time spent in Phnom Penh was a positive one for all of the staff and helped build upon CUFA's already strong vision of helping people break out of poverty by providing them with access to affordable financial services.

It was a particularly special experience for me as Chair of CUFA to meet the people that are making the successes possible – CUFA's team. CUFA's achievements are all due to the skills, energy and dedication of the people and organisations that support us. Without our dedicated staff we would not be able to achieve the results we do and help those who are in need of it in the Asia Pacific region on behalf of the Australian Mutual movement. I was particularly moved to see the dedication CUFA's staff have to helping their country reach a more sustainable future.

The year ahead will be yet another eventful one as CUFA moves to independence. CUFA are already well into their preparations for the transition on July 1 2013 to an independent entity. I look forward to reporting on this milestone in next year's report.

I hope that you enjoy reading about CUFA's achievements from the last financial year.

A handwritten signature in black ink that reads 'Margot Sweeny'.

Margot Sweeny





Executive Officer's Introduction



The headline item of this year's work was the 3.9 million people that were reached through CUFA's work. For a small international NGO this sounds like an unbelievable number but when you consider the type of work we do and the way in which we reach people you can understand how financial cooperatives impact not only on the individual member's life but on the quality of life of the member's whole family. If you examine the macro effects of financial inclusion on the economics of the entire community in which the financial cooperative is based you then can gain some understanding of the effectiveness of CUFA's programs.

On average we created \$5.13 of social value for every \$1 that was invested in the programs. The Australian public through the Australian mutuals movement and AusAID assisted us to support over 2300 financial cooperatives and provide financial literacy to over 9000 children in the Asia Pacific region just to name a couple of achievements.

Working in partnership with local communities and community leaders and organisations, were able to reach some of the poorest people by assisting them to develop their own access to financial services that are community owned and managed.

During the year the CUFA operational and management team expanded to 50 staff throughout our offices in Sydney, Cambodia, Myanmar, Fiji and Timor Leste along with the number and reach of the project activities. On behalf of the CUFA team we hope you enjoy reading our annual report and we thank you sincerely for your support this last year.

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

Peter Mason





About CUFA

Since 1971, CUFA has been developing people and strengthening communities by providing them with access to affordable financial services through financial cooperatives. CUFA operates with the goal of helping people living in poor communities in the Asia Pacific region lift themselves out of poverty. Instead of giving hand outs we work to provide the skills, knowledge and resources required for people to break out of poverty whilst offering ongoing support.

The presence of a financial cooperative in a community provides a safe place for people to save and borrow money. It teaches people of all ages how to manage their money and save for a brighter future. Not to mention the employment opportunities it creates for the villagers and the empowerment it brings to women, those with a disability and communities as a whole through financial independence.

Overall, our work aims to create sustainability, improve lives and relieve poverty and in the 2011-12 financial year **CUFA reached 3.9 million people** living in poverty in the Asia Pacific region.

CUFA's work involves:

- Developing and supporting financial cooperatives in communities that previously had little or no access to a financial institution.
- Providing villagers with an opportunity to start and/or expand their own sustainable businesses by connecting them to every day Australians through the Village Entrepreneur program
- Teaching children aged between 7 and 9 in their local schools how to save their money for their future
- Actively seeking communities who are in need of CUFA's support and who would benefit most from the presence of a financial cooperative in their community.

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

Our Vision: Credit Unions promoting financial and social well-being in communities.
Our Mission: Empowering communities through access to affordable financial services.

CUFA's work and the Australian Credit Union Movement is part of a worldwide credit union movement - aligned under the International Credit Union Operating Principles.

Social Return on Investment Report (SROI)

In 2011-12 CUFA released the Social Return on Investment Report to measure the social value created by CUFA with donor funds. The methodology used in the SROI Report directly links CUFA's outputs (resources and effort) to impacts in financial terms for easy understanding. The Report found that for every \$1 invested in CUFA's projects, \$5.13 is created in social value. Each project had at least a 100 percent return on investment.

The results of the SROI Report highlight CUFA's overall effectiveness in managing the funds received and the projects themselves. To see a copy of the SROI report please visit www.cufa.com.au



CUFA's Work





· Cambodia Leadership Challenge



· Credit Union Development and Credit Union Outreach



· Pacific Credit Union Technical Congress



· Fiji Leadership Challenge

Federated States of Micronesia

Kiribati

OCCUL

Solomon Islands

Tuvalu

Samoa

Vanuatu

Fiji

Tonga



· Technical Assistance to OCCUL Members



· Development Education
· Supporting Indigenous Credit Union Staff



Our Programs

COUNTRY: CAMBODIA

Project: Credit Union Development

Summary: The Credit Union Development Program comprises a number of projects to develop the operational and technical capacity of credit unions in the Asia Pacific region through: technical support to credit union staff; increasing financial literacy understanding and awareness to promote member and savings mobilisation; and an adoption of pure international credit union principles advocating democracy, inclusion, and a savings driven approach.

Highlights Financial Year 2011/2012:

- Worked collaboratively with four targeted communities: Choam Krovien, Ou Mlu, Sekong, and Laming Communes
- 134 Workshops held to consult with the communities and build trust, 78 more than targeted
- Engaged with 566 Household Members, 368 females (65%) and 3 people with disabilities

Project: Credit Union Outreach

Summary: With support from ANCP, CUFA provided three years of face to face training at CUFA's training facility in Phnom Penh to Cambodian credit union staff in a number of training modules to build capacity in their leadership, management and operational capabilities.

Highlights Financial Year 2011/2012

- Achieved 207 credit unions two-day support visits, 414 support days in the field – 25 additional support visits than targeted
- Provided support to 76 credit unions, 28 more than the 48 targeted CUFA's Social Return on Investment Report (SROI) identified that the Credit Union Outreach provided a return on investment of \$6.81 for each \$1 invested

Project: Children's Financial Literacy

Summary: The Children's Financial Literacy Project has been operating in Cambodia since March 2008. Each year 9,000 children aged 7-11 in poor regions of Cambodia receive financial literacy Training. Children gain a basic understanding of financial concepts and the value and importance of saving.

Highlights Financial Year 2011/2012

- Provided Financial Literacy Training to 9,207 children across 18 schools, 207 more than the 9,000 target
- Each child received 5 financial literacy training lessons to assist them to develop good savings habits
- In addition to the Financial Literacy Training, the Project Officers also conducted 87 home visits, to follow up with parents in relation to the training provided to their children
- CUFA's Social Return on Investment Report (SROI) identified that the Financial Literacy Project provided a return on investment of \$3.04 for each \$1 invested

Project: Leadership Challenge Program Cambodia

Summary: The annual Leadership Challenge Program Cambodia provides a dual purpose- participants fundraise a minimum of \$3300.00 each to support the Children's Financial Literacy Program, while undergoing a professional development program

Highlights Financial Year 2011/2012

- 7 participants from 7 credit unions participated in this Leadership Challenge
- The participants raised \$33,599, \$10,499 more than the targeted amount

COUNTRY: TIMOR LESTE

Project: Credit Union Development

Summary: With ANCP Funding in July 2011 CUFA started a project to work in three separate communities to develop a model credit union. The model credit union project was developed to increase community trust and awareness as a safe place to save and attract interest to help money keep pace with inflation.

Highlights Financial Year 2011/2012

- Worked collaboratively with three targeted communities: Letefoho, Remexio and Maubesse Districts
- 91 Workshops held to consult with the communities and build trust, 46 more than targeted
- Engaged with 358 Household Members, 174 females (48%) and 2 with disabilities

Project: Credit Union Outreach

Summary: This project focuses on strengthening and promoting the financial cooperatives in Timor Leste. The credit union movement in Timor Leste has been operating for over two decades, however growth has been impeded by the climate of the country. The accompanying events that took place during Timor Leste's fight for independence caused some credit unions to cease operating. This program provides quality technical assistance to build capacity, leadership, management and operational capabilities.

Highlights Financial Year 2011/2012

- Achieved 74 credit unions two-day support visits, 148 support days in the field – 12 additional support visits than targeted
- Provided support to 34 credit unions, 3 more than the 31 targeted
- The number of credit union staff, board and committee members receiving direct support from the implementation visits was 706
- CUFA's Social Return on Investment Report (SROI) identified that the Credit Union Outreach project provided a return on investment of \$4.94 for each \$1 invested



Photo Credit: Anne Casey

COUNTRY: FIJI AND THE PACIFIC REGION

Project: Oceanic Confederation of Credit Union Leagues

Summary: In September 2008 a group of Pacific nation credit unions met at the Pacific Credit Union Technical Congress and decided to re-establish a peak body to enable sharing of information and to build a more united credit union movement in the region. These Pacific nation credit unions requested CUFA's assistance in establishing the peak body to work with OCCUL members: credit union leagues, federations, and individual credit unions; and to develop their technical capacity and to contribute to their long term financial and operational success.

Highlights Financial Year 2011/2012:

- Achieved a 12% increase in OCCUL members from 29 in 2010/2011 to 33 in 2011/2012 with the reach expanding to 11 countries, 2 more than the previous year
- OCCUL Advisory Committee officially transitioned to the OCCUL Board in September 2011
- Technical Assistance was provided to Tuvalu and to Solomon Islands, both OCCUL Members
- The Secretariat Officer conducted three country visits to OCCUL members: Timor Leste, Samoa, and Papua New Guinea

Project: Leadership Challenge Program Fiji

Summary: The annual Leadership Challenge Program Fiji provides a dual purpose- participants fundraise a minimum of \$3300.00 each to support the Oceanic Confederation of Credit Union Leagues while undergoing a professional development program that provides a physical, cultural and emotional challenge.

Highlights Financial Year 2011/2012

- 12 participants representing a 16% increase from the previous Fiji Challenge
- Most funds raised on a Challenge Program - \$57,073
- First time a scholarship of \$5,000 was provided by a stakeholder organisation to fund the participation of a credit union professional

Project: Pacific Credit Union Technical Congress

Summary: The Pacific Credit Union Technical Congress began in 2008 and brings together developed and developing credit union movements from the Pacific region, Australia, New Zealand and the United States of America. Participants gain credit union technical skills through seminars and workshops and networking events. Currently jointly hosted by the Oceanic Confederation of Credit Union Leagues, CUFA, the World Council of Credit Union Leagues and the host country League or Federation, it is envisaged that the event will be independently managed by the Oceanic Confederation of Credit Union Leagues in the future.

Highlights Financial Year 2011/2012

- 101 participants from 9 countries across the Pacific: Timor Leste, Solomon Islands, Samoa, Federated States of Micronesia, Papua New Guinea, Fiji, Tonga, Australia and the United States of America
- 27% of participants were women, a 5% increase on female represented at the 2010 Pacific Credit Union Technical Congress

COUNTRY: AUSTRALIA

Project: Development Education Program

Summary: The Development Education program is a professional five day program that develops Mutual staff to be more effective in the workplace and increases their understanding of mutuals and the credit union industry and their relationship and value to the community. Participants also gain an understanding of the importance of mutuals at a grass roots level in the Asia Pacific region.

Highlights Financial Year 2011/2012

- Program held for the first time internationally in Timor Leste
- 81% of participants attending were female
- 2 Indigenous participants attended from Traditional Credit Union

COUNTRY: CAMBODIA AND TIMOR LESTE

Project: Village Entrepreneur Initiative

Summary: The Village Entrepreneur Initiative is a program of support and funding for an individual to seek a better life through micro-business development. A Community Investor funds the Village Entrepreneur for a period of three years to help them develop their small business. The Village Entrepreneur receives training and support to ensure they become sustainable.

Highlights Financial Year 2011/2012

- 43 Village Entrepreneurs have become sustainable
- 133 Community Investors are supporting 142 Village Entrepreneurs

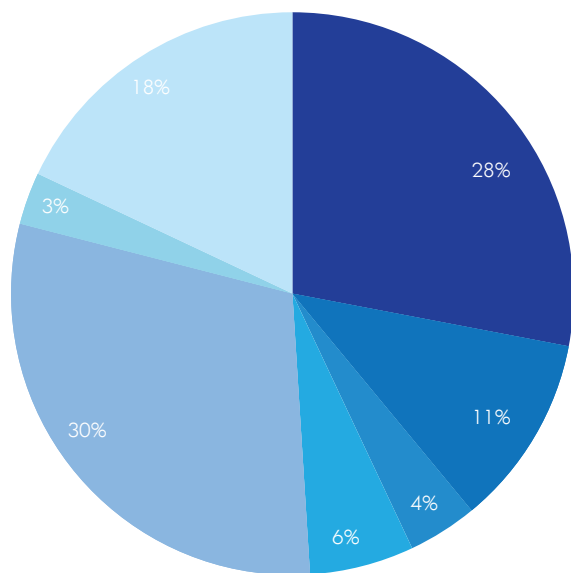




Summary of Financial Statements

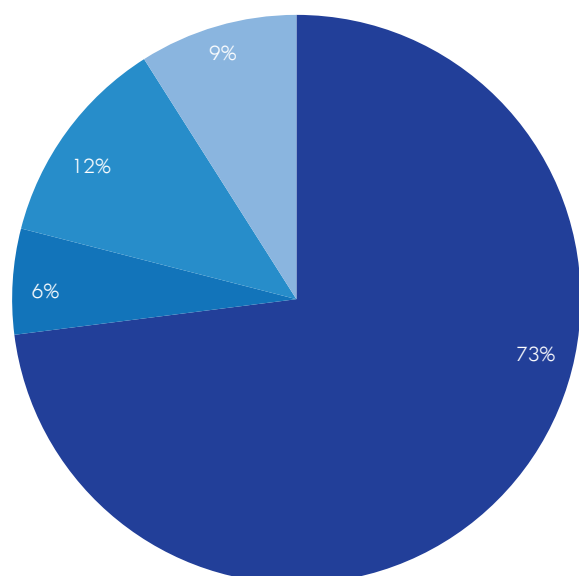
The following gives a plain English summary of how CUFA raised and spent funds in both our International and Domestic Projects. It is also noted that CUFA Directors receive no financial benefit for their time and commitment on CUFA's Board.

CUFA International Projects: How we raised our Funds in 2011/2012



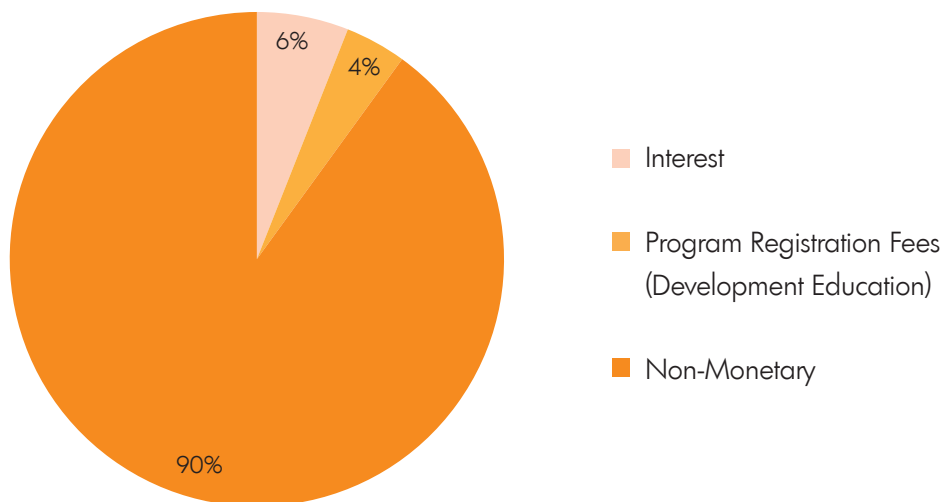
- Australian donations (including from credit union supporters)
- Program Participation and Registration
- Sponsorship (CUFA's Village Entrepreneur Project)
- Fundraising
- Grants (AusAID)
- Interest
- Non-Monetary

CUFA International Projects: How we spent our Funds in 2011/2012

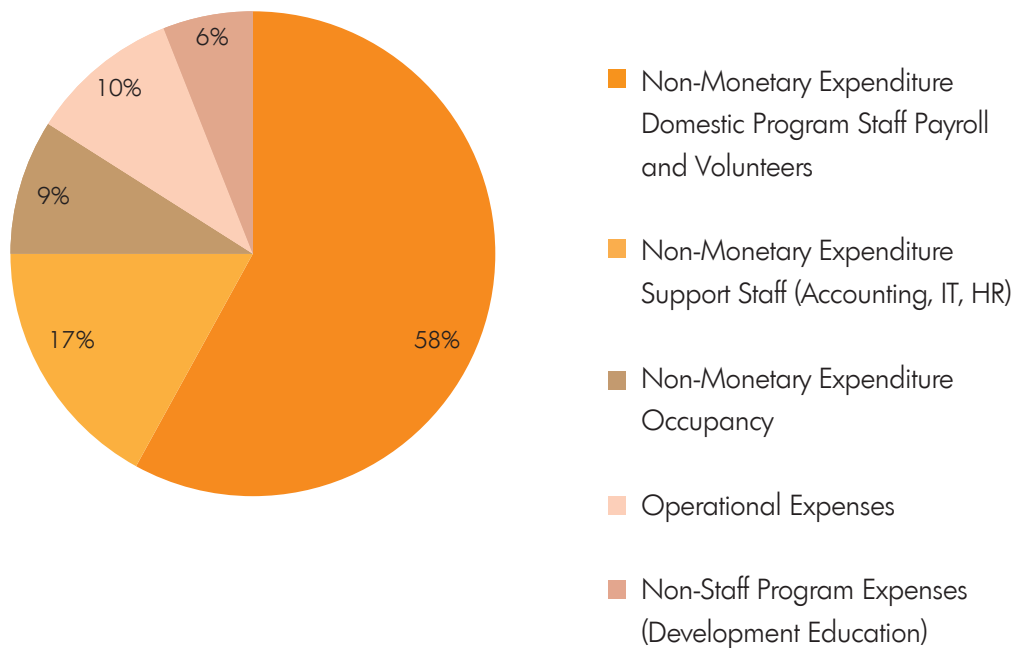


- International Programs
- Fundraising Costs
- Non-Monetary Expenditure Staff Payroll and Volunteers
- Non-Monetary Expenditure Administration Costs

CUFA Domestic Projects: How we raised our Funds in 2011/2012



CUFA Domestic Projects: How we spent our Funds in 2011/2012



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

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

Members of the public may also lodge a complaint against CUFA either via the feedback avenue on the website www.cufa.com.au email feedback@cufa.org.au or telephone **02 8299 9059** Executive Officer.



Appendix: Financial Statements

International Projects Fund

**ANNUAL FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012**

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Information on Trustee

Credit Union Foundation Australia Pty Limited is the Trustee of the Credit Union Foundation Australia Grahame Mehrtens International Projects Fund (the 'Fund').

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

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

Directors during the financial year

Brian Bennett Dip Com, CPA, FAMI, AIMM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

Chief Executive Officer Encompass Credit Union since 2005

32 years senior managerial experience in the Credit Union movement

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

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Rowan Dowland GAICD AFAIM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

General Manager Development bankmecu

19 years senior management experience in mutual banking

Directorships in Other Entities:

Director, Marriott Support Services Limited

Other Declared Interests:

Nil

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

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Directorships in Other Entities:

Metro South Hospital and Medical Board

Q-COMP

CPA Australia Ltd

Credit Union Australia Ltd

Lexon Insurance Pte Ltd

Superior Coal Ltd

Co-op Research Centre for Infrastructure Engineering Asset Management

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 Water Commission Audit and Risk Committee

Chair of the Queensland Crime and Misconduct Commission Audit Committee

Member of Moreton Bay Regional Council Audit and Risk Committee

Queensland Honorary Consul for Botswana.

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Information on Trustee (continued)

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

Appointed 14 September 2010

Experience:

Chief Executive Officer, Summerland Credit Union

12 years credit union CEO

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

8 years credit union experience as credit union Deputy Chairperson

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 – *founding member*

3 years Southern Cross University Foundation

Patron of the FOK

Directorships in Other Entities:

Director Abacus Australian Mutuals Limited

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

Deputy Chair of Audit & Risk Committee.

Director APFIO Pty Ltd

Director of Heathtech Pty Ltd

Therese Turner, MBA, Adv Diploma Accounting, MAMI

Appointed 7 December 2010

Resigned 27 August 2012

Experience:

Chief Executive Officer, Quay Credit Union Ltd

26 years experience in financial services industry

Directorships in Other Entities:

Director, Quay Credit Union Ltd

Other Declared Interests:

Nil

Retiring Director – Subsequently reappointed Held office during the financial year

Louise Margaret Petschler BA (Hons), MAICUD

Appointed 20 February 2008

Resigned 8 June 2012

Re-appointed 9 October 2012

Experience:

Chief Executive Officer, Abacus-Australian Mutuals Limited

16 years experience in government and public relations

11 years experience in finance industry

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil



INDEPENDENT AUDITOR'S REPORT

To Credit Union Foundation Australia Pty Limited as Trustee of Credit Union Foundation Australia
Grahame Mehrtens International Projects Fund

We have audited the accompanying financial report, of Credit Union Foundation Australia Grahame Mehrtens International Projects Fund (the Fund), which comprises the Balance Sheet as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Trustee's Declaration. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2012.

Trustee's Responsibility for the Financial Report

The Trustee of the Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Trustee also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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



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

Independence

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

Opinion

In our opinion:

- (a) the financial report of Credit Union Foundation Australia Grahame Mehrtens International Projects Fund gives a true and fair view of the Fund's financial position as at 30 June 2012 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.
- (c) The financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations for the year ended 30 June 2012; and
- (d) Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2012, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.

Grant Thornton Audit Pty Ltd

Neville Sinclair

Director

Sydney, 1 November 2012



APPENDIX A: WESTERN AUSTRALIA CHARITABLE COLLECTIONS REGULATION 1947

Significant Control Requirements

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

Financial Management

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

Fundraising

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

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Trustee's Declaration

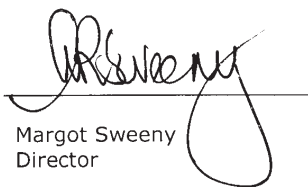
The financial report on pages 7 to 23 for the financial year ended 30 June 2012 has been prepared as required by the Trust Deed.

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


The Trustee declares that:

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

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



Margot Sweeny
Director



Peter Dowling
Director

Sydney, 31st October 2012

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Statement of Comprehensive Income

For the financial year ended 30 June 2012

	Notes	2012 \$	2011 \$
REVENUE			
Donations and gifts			
Monetary	3	768,014	725,767
Non-monetary		-	-
Grants			
AusAID	3	471,947	425,858
Other Australian		-	-
Other overseas		-	-
Investment Income			
		43,616	40,263
Other Income			
Other Project Services (Non-Monetary)	4	279,852	291,705
TOTAL REVENUE FROM ORDINARY ACTIVITIES		1,563,429	1,483,593
EXPENSES			
International Aid and Development Programs Expenditure			
International programs:			
Funds to international programs	5	977,971	973,396
Fundraising costs:			
Public		85,072	35,164
Government, multilateral and private		-	-
Accountability and Administration	6	-	2,000
Non-Monetary expenditure	4	279,852	291,705
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		1,342,895	1,302,265
EXCESS OF REVENUE OVER EXPENSES FROM CONTINUING OPERATIONS		220,534	181,328
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		220,534	181,328

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

Over the course of both the 2012 and 2011 financial years, the Fund had no transactions in the following categories:

- Bequests and Legacies;
- International Political or Religious Adherence Promotion Programs;
- Community Education; and
- Domestic Programs expenditure
- Program Support Costs

Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

Balance Sheet As at 30 June 2012

	Notes	2012 \$	2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	1,099,543	964,041
Trade and other receivables	7	305,892	207,275
Total Assets		1,405,435	1,171,316
Current Liabilities			
Other liabilities	8	78,670	65,085
Total Liabilities		78,670	65,085
Net Assets		1,326,765	1,106,231
Equity			
Retained Earnings		1,326,765	1,106,231
Total Equity		1,326,765	1,106,231

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

Current and Non-Current Assets:

At the end of both the 2012 and 2011 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 2012 and 2011 financial years, there were no Non-Current Assets.

Current and Non-Current Liabilities:

At the end of both the 2012 and 2011 financial years, with respect to Current Liabilities the Fund had no balances in respect of Trade and other payables, Borrowings, Current tax liabilities, Other financial liabilities, or Provisions.

In both the 2012 and 2011 financial years, there were no Non-Current Liabilities.

Equity

The Fund does not maintain Reserves.

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Statement of Changes in Equity

As at 30 June 2012

Statement of Changes in Equity

	Retained Earnings \$	Total \$
2012		
Balance as at 1 July 2011	1,106,231	1,106,231
Excess of revenue over expenses for the year	220,534	220,534
Balance as at 30 June 2012	<u>1,326,765</u>	<u>1,326,765</u>
2011		
Balance as at 1 July 2010	924,903	924,903
Excess of revenue over expenses for the year	181,328	181,328
Balance as at 30 June 2011	<u>1,106,231</u>	<u>1,106,231</u>

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

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Cash Flow Statement

For the financial year ended 30 June 2012

	Notes	2012 \$	2011 \$
Cash flows from operating activities			
Donations received		418,988	335,746
AusAID grants received		471,947	424,497
Funds raised for specific initiatives		353,997	355,622
Interest received		43,616	40,263
Sundry income		-	2,454
Fundraising expenses		(82,685)	(37,179)
Auditor's Remuneration		(2,000)	(2,625)
Expenditure on AusAID projects		(674,145)	(315,077)
Expenditure on other projects		(394,216)	(450,181)
Net cash provided by operating activities	9 (b) & 10	135,502	353,520
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		135,502	353,520
Cash and cash equivalents at the beginning of the financial year		964,041	610,521
Cash and cash equivalents at the end of the financial year	9(a)	1,099,543	964,041

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

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

Note Contents

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

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

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.

The following standards and interpretations relevant to the Fund became effective in 2012:

- AASB 2010-4 '*Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*'. Amendments arising from AASB 101 '*Presentation of Financial Statements*' dealing with items classified as "other comprehensive income".
- AASB 2010-5 '*Further amendments to Australian Accounting Standards*': This standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations. These amendments have no major impact on the requirements of the amended pronouncements.
- AASB 124 '*Related Party Disclosures*' AASB 2009-12 '*Amendments to Australian accounting Disclosures*': These requirements clarify the definition of a related party and include an implicit requirement to disclose commitments involving related parties.

Adoption of these amended standards did not have a material financial impact on the Balance Sheet or the results of operations except as otherwise stated.

Standards and Interpretations issued but not yet effective

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

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ' <i>Financial Instruments</i> '. Includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2013	30 June 2014
AASB 13 "Fair Value Measurement" and AASB 2011-8 "Amendment to Australian Accounting Standards arising from AASB 13"	1 January 2013	30 June 2014
AASB 2011-9 "Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income"	1 January 2013	30 June 2014

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

1. Adoption of new and revised Accounting Standards (continued)

The Trustee anticipates the adoption of these standards will have no material financial impact on the future periods for the Fund.

2. Significant accounting policies

Statement of Compliance

The financial report has been prepared at the request of the Trustee and has been prepared as a General Purpose Financial Report in accordance with Australian Accounting Standards and Interpretations (A-IFRS), and the financial reporting requirements of the Australian Council for International Development Code of Conduct. Compliance with A-IFRS ensures that the financial statements and notes of the Fund comply with International Financial Reporting Standards ('IFRS').

The financial statements were approved by the Trustee on 31st October 2012.

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

Critical Accounting judgements and key sources of estimation uncertainty

The Trustee is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

a. Cash and Cash Equivalents

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

b. Receivables

Loans and receivables are measured at amortised cost (less impairment) using the effective interest method.

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

2. Significant accounting policies (continued)

c. Impairment of Assets

(i) Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Other Assets

At each reporting date, the Fund reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

d. Contributions

All project contributions are recognised as revenue of the Fund in accordance with AASB 1004 *Contributions*, at fair value received or receivable.

e. Expenditure on projects

All expenditure on projects is recognised as part of operating expenditure of the Fund.

f. Retained earnings

All unexpended funds are recognised as retained earnings in the equity section of the Balance Sheet.

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

2. Significant accounting policies (continued)

g. Other project services

Other project services represent services provided to the Fund at no cost, which were essential to the provision of project services or for the administration of the Fund. They are recognised as revenue and expenditure at their fair value.

Fair value is determined as the cost which would have been expended to acquire the service. With respect to volunteers' services, the services contributed are valued at a standard daily rate as determined by the AusAID scale.

h. Goods and Services Tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST) except:

- i. Where the amount of GST is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables and payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

i. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

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

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

**Notes to the Financial Statements
For the financial year ended 30 June 2012**

	2012 \$	2011 \$
3. Non-interest revenue from ordinary activities		
Donations and gifts – Monetary		
Other Australian Donations	418,988	333,346
Children’s Financial Literacy-Cambodia	10,819	25,301
Participation Fees-Cambodia Leadership Challenge	26,978	54,200
Participation Fees Pacific Credit Union Technical Congress	92,082	90,510
Leadership - Pacific	51,950	41,494
Pakistan Flood Relief	-	53,232
Village Entrepreneur Program	57,589	45,314
Progress Out of Poverty	-	26,190
Fundraising-Asia	42,159	9,518
Fundraising-Pacific	55,063	38,593
Other Funds	12,386	8,069
Total Donations and Gifts - Monetary	768,014	725,767
Grants		
AusAID	471,947	425,858
Other Australian	-	-
Other Overseas	-	-
	471,947	425,858
Total non-interest revenue from ordinary activities	1,239,961	1,151,625

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

4. Other project services (Non-Monetary)

	2012 \$	2011 \$
These are represented by:		
<u>Project Costs</u>		
Staff Payroll- Abacus Australian Mutuals Ltd	130,132	137,243
Volunteers	23,423	46,940
 <u>Administration Costs</u>		
Equipment, services and accommodation		
- Abacus Australian Mutuals Pty Ltd	14,559	14,748
- Cuscal Limited	111,738	92,774
 Total	279,852	291,705

Volunteers' services are recognised on the basis of time spent and represent 62 days (2011: 224 days).

5. Funding expenses

	2012 \$	2011 \$
Funds to overseas projects		
AusAID projects	584,533	582,409
Myanmar	35,396	-
Financial Literacy Program	28,811	30,139
Leadership-Asia	22,551	46,991
Pacific Credit Union Technical Congress	93,280	100,365
Pakistan Flood Relief	-	53,422
Cambodia Building Trust	10,124	23,877
Pacific Leadership	43,180	24,198
India	-	3,408
Australian Council for International Development	13,750	8,418
Progress Out of Poverty	7,494	3,120
Grow and Sustain Program	-	3,388
Village Entrepreneur	46,559	37,050
Board Education and Familiarisation	9,572	-
Oceanic Confederation of Credit Union Leagues	67,802	53,677
Hall of Honour	6,514	-
Other projects	8,405	2,934
Total funds to overseas projects	977,971	973,396

Of the total amount disclosed, there is \$73,700 accrued expenditure (2011:nil)

Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

	2012 \$	2011 \$
6. Accountability and Administration		
Audit of the financial report (i)	-	2,000
Other expenses		-
	-	2,000

(i) The auditor of the financial report for 2012 is Grant Thornton Audit Pty Ltd; for 2011 it was BDO Audit (NSW-Vic). Auditor's remuneration of \$1,000 for the financial year ended 30 June 2012 was paid by Abacus Australian Mutuals Limited

7. Trade & Other receivables

Prepaid Project Expenses	301,940	204,140
Other receivables	3,952	3,135
Total other receivables	305,892	207,275

8. Other liabilities

Accrued staff expenses	-	20,353
Goods and Services Tax Liability	-	42,732
Accrued Audit Fees	-	2,000
Deferred Income	4,970	-
Project Accruals	73,700	-
Total other liabilities	78,670	65,085

9. Notes to cash flow

a. Reconciliation of cash and cash equivalents

With Cuscal Limited:		
- Cash at bank	39,889	12,845
- Deposits at call	1,059,654	951,196
Total cash and cash equivalents	1,099,543	964,041

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

Excess of revenue over expenses for the year	220,534	181,328
(Increase)/Decrease in receivables	(98,617)	249,372
Increase/(Decrease) in payables	13,585	(77,180)
Net cash provided by operating activities	135,502	353,520

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Notes to the Financial Statement For the financial year ended 30 June 2012

10. Table of cash movements for designated purposes

2012	Cash available at 30 June 2011	Cash raised during 2011/2012	Cash disbursed during 2011/2012	Cash available at 30 June 2012
Purpose				
Sri Lanka Reconstruction Project	2,739	-	-	2,739
Pacific Congress	-	97,052	(93,280)	3,772
Cambodia Children's Financial Literacy	45,034	10,819	(28,811)	27,042
Leadership-ASIA	31,288	26,978	(22,551)	35,715
Oceanic Confederation of Credit Union Leagues	-	68,577	(68,577)	-
Leadership-PACIFIC	21,775	51,950	(43,180)	30,545
Cambodia Building Trust	-	10,124	(10,124)	-
Australian Council for International Development	-	13,750	(13,750)	-
Cambodia-Building Institutional Capacity	126,446	221,717	(331,321)	16,842
Timor Leste	42,845	232,763	(275,608)	-
Board Familiarisation and Education	-	9,572	(9,572)	-
Village Entrepreneur	20,353	57,589	(46,559)	31,383
Myanmar	-	35,396	(35,396)	-
Fundraising-ASIA	8,811	42,159	(1,131)	49,839
Fundraising-Pacific	37,285	55,063	(2,368)	89,980
Solomon Islands	-	67,216	(67,216)	-
Other Purposes	627,465	287,823	(103,602)	811,686
Total	964,041	1,288,548	(1,153,046)	1,099,543
Net cash flow by designated purpose for the year (Refer Cash Flow Statement)			135,502	

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Notes to the Financial Statement For the financial year ended 30 June 2012

10. Table of cash movements for designated purposes

2011 Purpose	Cash available at 30 June 2010 \$	Cash raised during 2010/2011 \$	Cash disbursed during 2010/2011 \$	Cash available at 30 June 2011 \$
Sri Lanka Reconstruction Project	6,006	-	(3,267)	2,739
Cambodia Children's Financial Literacy	49,872	25,301	(30,139)	45,034
Leadership-ASIA	24,079	54,200	(46,991)	31,288
Pacific Credit Union Technical Congress Conference	15,496	84,869	(100,365)	-
Leadership-PACIFIC	4,479	41,494	(24,198)	21,775
Cambodia Building Trust	-	23,877	(23,877)	-
Pacific Development	30,785	31,876	(62,661)	-
Cambodia-Building Institutional Capacity	-	190,340	(63,894)	126,446
Timor Leste	-	151,477	(108,632)	42,845
Myanmar	-	42,157	(42,157)	-
Village Entrepreneur	12,089	45,314	(37,050)	20,353
Pakistan Flood Relief	-	53,422	(53,422)	-
Fundraising-ASIA	-	9,518	(707)	8,811
Fundraising-Pacific	-	38,593	(1,308)	37,285
Poverty Management	-	38,560	(38,560)	-
Solomon Islands	-	100,394	(100,394)	-
Other Purposes	467,715	227,190	(67,440)	627,465
Total	610,521	1,158,582	(805,062)	964,041
Net cash flow by designated purpose for the year (Refer Cash Flow Statement)			353,520	

Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

Notes to the Financial Statement For the financial year ended 30 June 2012

11. Financial instruments disclosures

	2012 \$	2011 \$
Carrying value:		
Cash at a Bank (at call)	39,889	12,845
Deposits at call	1,059,654	951,196
Total carrying value	1,099,543	964,041

Fair value

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

Market Risk

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

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

Sensitivity Impact	Decrease 0.5%		Increase 0.5%	
	2012 \$	2011 \$	2012 \$	2011 \$
Profit or loss	(5,492)	(4,820)	5,492	4,820

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.

Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

**Notes to the Financial Statements
For the financial year ended 30 June 2012**

11. Financial instruments disclosures (continued)

Contractual undiscounted cash flows of financial liabilities

2012

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

2011

Financial Liabilities

Other payables	-	57,252	-	-	-	7,833	65,085
Total	-	57,252	-	-	-	7,833	65,085

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.

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

12. Related party disclosures

(a) Directors

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

B. Bennett (Resigned 28 August 2012)
R.B. Dowland (Resigned 28 August 2012)
P.G. Dowling
M. Sweeny
T.L. Turner (Resigned 27 August 2012)
L.M. Petschler (Resigned 8 June 2012, re-appointed 9 October 2012)

The compensation of the specified directors was nil (2011: nil).

(b) Service agreement

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

13. Subsequent events

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

14. Additional information

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund is a trust formed in Australia.

The registered office and place of business are both:
1 Margaret Street
SYDNEY NSW 2000

CUFA GMIP Audit Report



12 November 2012

Grant Thornton Audit Pty Ltd
ACN 130 913 594

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INDEPENDENT AUDITOR'S REPORT

To Credit Union Foundation Australia Pty Limited as Trustee of Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

We have audited the accompanying financial report, of Credit Union Foundation Australia Grahame Mehrrens International Projects Fund (the Fund), which comprises the Balance Sheet as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Trustee's Declaration. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2012.

Trustee's Responsibility for the Financial Report

The Trustee of the Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Trustee also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditors Responsibility

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

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

Independence

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

Opinion

In our opinion:

- a the financial report of Credit Union Foundation Australia Grahame Mehrtens International Projects Fund gives a true and fair view of the Fund's financial position as at 30 June 2012 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.
- c The financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations for the year ended 30 June 2012; and
- d (d) Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2012, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.

Yours faithfully
GRANT THORNTON AUDIT PTY LTD



Neville Sinclair
Partner - Audit & Assurance -

Appendix A – Western Australia Charitable Collections Regulation 1947

Significant Control Requirements

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

Financial Management

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

Fundraising

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

Trust Fund

Credit Union Foundation Australia Trust Fund

ANNUAL FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012



Credit Union Foundation Australia Trust Fund

Information on Trustee

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

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

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

Directors during the financial year

Brian Bennett Dip Com, CPA, FAMI, AIMM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

Chief Executive Officer Encompass Credit Union since 2005

32 years senior managerial experience in the Credit Union movement

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

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Rowan Dowland GAICD AFAIM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

General Manager Development bankmecu

19 years senior management experience in mutual banking

Directorships in Other Entities:

Director, Marriott Support Services Limited

Other Declared Interests:

Nil

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

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Directorships in Other Entities:

Metro South Hospital and Medical Board

Q-COMP

CPA Australia Ltd

Credit Union Australia Ltd

Lexon Insurance Pte Ltd

Superior Coal Ltd

Co-op Research Centre for Infrastructure Engineering Asset Management

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 Water Commission Audit and Risk Committee

Chair of the Queensland Crime and Misconduct Commission Audit Committee

Member of Moreton Bay Regional Council Audit and Risk Committee

Queensland Honorary Consul for Botswana.

Credit Union Foundation Australia Trust Fund

Information on Trustee (continued)

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

Appointed 14 September 2010

Experience:

Chief Executive Officer, Summerland Credit Union

12 years credit union CEO

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

8 years credit union experience as credit union Deputy Chairperson

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 – *founding member*

3 years Southern Cross University Foundation

Patron of the FOK

Directorships in Other Entities:

Director Abacus Australian Mutuals Limited

Southern Cross University-Member of University Council, Chair of Finance Committee, Deputy Chair of Audit & Risk Committee.

Director APFIO Pty Ltd

Director of Heattech Pty Ltd

Therese Turner, MBA, Adv Diploma Accounting, MAMI

Appointed 7 December 2010

Resigned 27 August 2012

Experience:

Chief Executive Officer, Quay Credit Union Ltd

26 years experience in financial services industry

Directorships in Other Entities:

Director, Quay Credit Union Ltd

Other Declared Interests:

Nil

Retiring Director – Subsequently reappointed Held office during the financial year

Louise Margaret Petschler BA (Hons), MAICUD

Appointed 20 February 2008

Resigned 8 June 2012

Re-appointed 9 October 2012

Experience:

Chief Executive Officer, Abacus-Australian Mutuals Limited

16 years experience in government and public relations

11 years experience in finance industry

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial report, of Credit Union Foundation Australia Trust Fund (the Fund), which comprises the Balance Sheet as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Trustee's Declaration. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2012.

Trustee's Responsibility for the Financial Report

The Trustee of the Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Trustee also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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



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

Independence

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

Opinion

In our opinion:

- (a) the financial report of Credit Union Foundation Australia Trust Fund gives a true and fair view of the Fund's financial position as at 30 June 2012 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.
- (c) The financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations for the year ended 30 June 2012; and
- (d) Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2012, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.

Grant Thornton Audit Pty Ltd

Neville Sinclair
Director

Sydney, 1 November 2012





APPENDIX A: WESTERN AUSTRALIA CHARITABLE COLLECTIONS REGULATION 1947

Significant Control Requirements

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

Financial Management

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

Fundraising

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

Credit Union Foundation Australia Trust Fund

Trustee's Declaration

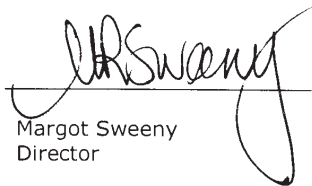
The financial report on pages 7 to 18 for the financial year ended 30 June 2012 has been prepared as required by the Trust Deed.

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

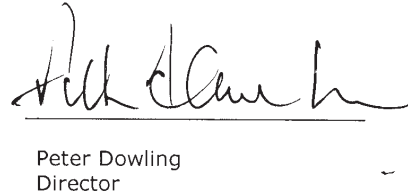
The Trustee declares that:

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

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



Margot Sweeny
Director



Peter Dowling
Director

Sydney, 31st October 2012

Credit Union Foundation Australia Trust Fund

Statement of Comprehensive Income

For the financial year ended 30 June 2012

	Notes	2012 \$	2011 \$
Revenue			
Interest income		26,135	26,463
Development education fees		19,500	54,261
Other project services (Non-monetary)	3	405,018	370,526
Total revenue from ordinary activities		450,653	451,250
Expenses			
Other project services (Non-monetary)	3	405,018	370,526
Development education expenses		24,743	49,300
Administration expenses	4	-	2,000
Total expenses from ordinary activities		429,761	421,826
Excess of revenue over expenses from continuing operations		20,892	29,424
Other Comprehensive Income		-	-
Total Comprehensive Income		20,892	29,424

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 2012

	Notes	2012 \$	2011 \$
Current Assets			
Cash and cash equivalents	7	242,508	223,572
Cash in term deposit		350,000	350,000
Other receivables	5	2,010	6,287
Total current assets		594,518	579,859
Current Liabilities			
Other liabilities	6	-	6,233
Total current liabilities		-	6,233
Net Assets		594,518	573,626
Equity			
Retained Earnings		438,078	417,186
Reserve - Steve Birt Endowment Fund		156,440	156,440
Total Equity		594,518	573,626

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

Statement of Changes in Equity

	Retained Earnings \$	Reserve - Steve Birt Endowment Fund \$	Total equity \$
For the financial year ended 30 June 2012			
Balance at the beginning of the financial year	417,186	156,440	573,626
Total Comprehensive Income	20,892	-	20,892
Balance at the end of the financial year	438,078	156,440	594,518
For the financial year ended 30 June 2011			
Balance at the beginning of the financial year	387,762	156,440	544,202
Total Comprehensive Income	29,424	-	29,424
Balance at the end of the financial year	417,186	156,440	573,626

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 2012

	Notes	2012 \$	2011 \$
Cash flows from operating activities			
Interest received		26,689	23,902
Development education funding received		19,500	54,261
Development education expenditure		(25,560)	(50,370)
Administration expenses paid		(1,693)	(5,295)
Net cash provided by operating activities	7 (b)	18,936	22,498
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		18,936	22,498
Cash and cash equivalents at the beginning of the financial year		223,572	201,074
Cash and cash equivalents at the end of the financial year	7 (a)	242,508	223,572

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 2012

Note Contents

1. Adoption of new and revised accounting standards
2. Significant accounting policies
3. Other project services
4. Auditor's remuneration
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 2012

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.

The following standards and interpretations relevant to the Fund became effective in 2012:

- AASB 2010-4 '*Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*'. Amendments arising from AASB 101 '*Presentation of Financial Statements*' dealing with items classified as "other comprehensive income".
- AASB 2010-5 '*Further amendments to Australian Accounting Standards*': This standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations. These amendments have no major impact on the requirements of the amended pronouncements.
- AASB 124 '*Related Party Disclosures*' AASB 2009-12 '*Amendments to Australian accounting Disclosures*': These requirements clarify the definition of a related party and include an implicit requirement to disclose commitments involving related parties.

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 except as otherwise stated.

Standards and Interpretations issued but not yet effective

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

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ' <i>Financial Instruments</i> '. Includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2013	30 June 2014
AASB 13 "Fair Value Measurement" and AASB 2011-8 "Amendment to Australian Accounting Standards arising from AASB 13"	1 January 2013	30 June 2014
AASB 2011-9 "Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income"	1 January 2013	30 June 2014

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

1. Adoption of new and revised Accounting Standards (continued)

These Standards and Interpretations will be first applied in the financial report of the Fund that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be the Fund's annual reporting period beginning 1 July 2013. The Trustee anticipates the adoption of these standards will have no material financial impact on the future periods for the Fund.

2. Significant accounting policies

Statement of Compliance

The financial report has been prepared at the request of the Trustee and has been prepared as a General Purpose Financial Report in accordance with Australian Accounting Standards and Interpretations. Compliance with A-IFRS ensures that the financial statements and notes of the Foundation comply with International Financial Reporting Standards ('IFRS').

The financial statements were approved by the Trustee on 31st October 2012.

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

Critical Accounting judgements and key sources of estimation uncertainty

The Trustee is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

a. Cash and Cash Equivalents

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

b. Receivables

Loans and receivables are measured at amortised cost (less impairment) using the effective interest method.

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

2. Significant accounting policies (continued)

c. Impairment of Financial Assets

(i) Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Other Assets

At each reporting date, the Foundation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

d. Contributions

All project contributions are recognised as revenue of the Foundation in accordance with AASB 1004 *Contributions*, at fair value received or receivable.

e. Expenditure on projects

All expenditure on projects is recognised as part of operating expenditure of the Foundation.

f. Retained earnings

All unexpended funds are recognised as retained earnings in the equity section of the Balance Sheet.

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

2. Significant accounting policies (continued)

g. Steve Birt Endowment Fund

Interest income earned by the fund and disbursements from the interest earned are recognised as revenue and expenditure.

h. Other project services

Other project services represent services provided to the Foundation at no cost, which were essential to the provision of project services or for the administration of the Foundation. They are recognised as revenue and expenditure at their fair value.

Fair value is determined as the cost which would have been expended to acquire the service. With respect to volunteers' services, the services contributed are valued at a standard daily rate as determined by the AusAID scale.

i. Goods and Services Tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST) except:

- i. Where the amount of GST is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables and payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

j. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

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

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

	2012 \$	2011 \$
3. Other project services		
These are represented by:		
<u>Development Education</u>		
Volunteers	9,436	11,895
<u>Administration costs</u>		
Employment costs		
Abacus - Australian Mutuals Limited	195,199	205,864
Volunteer Services	44,968	15,750
Equipment, Accommodation, and Other Services		
Abacus - Australian Mutuals Limited	43,677	44,243
Cuscal Limited	111,738	92,774
Total services in kind	405,018	370,526
Volunteers' services are recognised on the basis of time spent and represents 279 days (2011: 122 days).		
4. Administration expenses		
Auditor's remuneration		
Audit of the financial report	-	2,000
The auditor of the 2012 financial report is Grant Thornton Audit Pty Ltd; in 2011 it was BDO Audit (NSW-Vic) Pty Ltd. Auditor's remuneration for the financial year ended 30 June 2012 of \$2,000 was paid by Abacus Australian Mutuals Limited		
5. Other receivables		
Sundry debtors	2,010	6,287
Total other receivables	2,010	6,287
6. Other liabilities		
Accounts payable and accrued expenses	-	6,233
Total other liabilities	-	6,233

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

	2012 \$	2011 \$
7. Notes to cash flow		
a. Reconciliation of cash and cash equivalents		
With Cuscal Limited:		
- Cash at a Bank	7,416	479
- Deposits at call	235,092	223,093
Total cash and cash equivalents	<u>242,508</u>	<u>223,572</u>
b. Reconciliation of excess of revenue over expenses to net cash flow from operating activities		
Excess of revenue over disbursements for the year	20,892	29,424
Decrease/(Increase) in other receivables	4,277	(6,022)
Decrease in other liabilities	(6,233)	(904)
Net cash flow provided by operating activities	<u>18,936</u>	<u>22,498</u>
8. Financial instruments disclosures		
Carrying value:		
Cash at a Bank (at call)	7,416	479
Deposits at call	235,092	223,093
	<u>242,508</u>	<u>223,572</u>
Fixed term deposit	350,000	350,000
Total carrying value	<u>592,508</u>	<u>573,572</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 2012

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%	
	2012	2011	2012	2011
	\$	\$	\$	\$
Profit or loss	(2,963)	(2,868)	2,963	2,868

Credit risk

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

Interest rate risk

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

Contractual undiscounted cash flows of financial liabilities

2012

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

2011

Financial Liabilities							
Other payables	-	6,233	-	-	-	-	6,233
Total	-	6,233	-	-	-	-	6,233

Liquidity risk management

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

Credit Union Foundation Australia Trust Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

9. Related party disclosures

(a) Directors

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

B. Bennett (Resigned 28 August 2012)
R.B. Dowland (Resigned 28 August 2012)
P.G. Dowling
M. Sweeny
T.L. Turner (Resigned 27 August 2012)
L.M. Petschler (Resigned 8 June 2012, re-appointed 9 October 2012)

The compensation of the specified directors was nil (2011: nil).

(b) Service Agreement

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

10. Subsequent events

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

11. Additional information

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

The registered office and principal place of business are both:

1 Margaret Street
SYDNEY NSW 2000

12 November 2012

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230

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F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial report, of Credit Union Foundation Australia Trust Fund (the Fund), which comprises the Balance Sheet as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Trustee's Declaration. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2012.

Trustee's Responsibility for the Financial Report

The Trustee of the Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Trustee also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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.

a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation

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

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

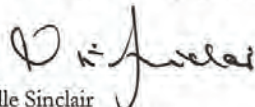
Independence

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

Opinion

- a the financial report of Credit Union Foundation Australia Trust Fund gives a true and fair view of the Fund's financial position as at 30 June 2012 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.
- c the financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations for the year ended 30 June 2012; and
- d monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2012, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.

Yours faithfully
GRANT THORNTON AUDIT PTY LTD



Neville Sinclair
Partner - Audit & Assurance

Appendix A – Western Australia Charitable Collections Regulation 1947

Significant Control Requirements

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

Financial Management

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

Fundraising

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

Relief Fund

Credit Union Relief Fund

ANNUAL FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012



Credit Union Relief Fund

Information on the Trustee

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

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

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

Directors during the financial year

Brian Bennett Dip Com, CPA, FAMI, AIMM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

Chief Executive Officer Encompass Credit Union since 2005

32 years senior managerial experience in the Credit Union movement

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

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Rowan Dowland GAICD AFAIM

Appointed 7 December 2010

Resigned 28 August 2012

Experience:

General Manager Development bankmecu

19 years senior management experience in mutual banking

Directorships in Other Entities:

Director, Marriott Support Services Limited

Other Declared Interests:

Nil

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

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Directorships in Other Entities:

Metro South Hospital and Medical Board

Q-COMP

CPA Australia Ltd

Credit Union Australia Ltd

Lexon Insurance Pte Ltd

Superior Coal Ltd

Co-op Research Centre for Infrastructure Engineering Asset Management

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 Water Commission Audit and Risk Committee

Chair of the Queensland Crime and Misconduct Commission Audit Committee

Member of Moreton Bay Regional Council Audit and Risk Committee

Queensland Honorary Consul for Botswana.

Credit Union Relief Fund

Information on Trustee (continued)

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

Appointed 14 September 2010

Experience:

Chief Executive Officer, Summerland Credit Union

12 years credit union CEO

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

8 years credit union experience as credit union Deputy Chairperson

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 – *founding member*

3 years Southern Cross University Foundation

Patron of the FOK

Directorships in Other Entities:

Director Abacus Australian Mutuals Limited

Southern Cross University-Member of University Council, Chair of Finance Committee, Deputy Chair of Audit & Risk Committee.

Director APFIO Pty Ltd

Director of Heattech Pty Ltd

Therese Turner, MBA, Adv Diploma Accounting, MAMI

Appointed 7 December 2010

Resigned 27 August 2012

Experience:

Chief Executive Officer, Quay Credit Union Ltd

26 years experience in financial services industry

Directorships in Other Entities:

Director, Quay Credit Union Ltd

Other Declared Interests:

Nil

Retiring Director – Subsequently reappointed Held office during the financial year

Louise Margaret Petschler BA (Hons), MAICUD

Appointed 20 February 2008

Resigned 8 June 2012

Re-appointed 9 October 2012

Experience:

Chief Executive Officer, Abacus-Australian Mutuals Limited

16 years experience in government and public relations

11 years experience in finance industry

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial report, of Credit Union Foundation Australia Relief Fund (the Fund), which comprises the Balance Sheet as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Trustee's Declaration. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2012.

Trustee's Responsibility for the Financial Report

The Trustee of the Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Trustee also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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



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

Independence

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

Opinion

In our opinion:

- (a) the financial report of Credit Union Foundation Australia Relief Fund gives a true and fair view of the Fund's financial position as at 30 June 2012 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.
- (c) The financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations for the year ended 30 June 2012; and
- (d) Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2012, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.

Grant Thornton Audit Pty Ltd

Neville Sinclair
Director

Sydney, 1 November 2012



APPENDIX A: WESTERN AUSTRALIA CHARITABLE COLLECTIONS REGULATION 1947

Significant Control Requirements

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

Financial Management

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

Fundraising

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

Credit Union Relief Fund

Trustee's Declaration

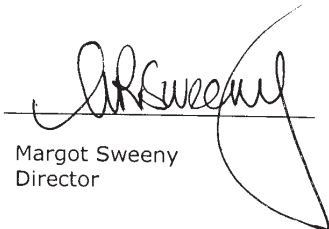
The financial report on pages 7 to 15 for the financial year ended 30 June 2012 has been prepared as required by the Trust Deed.

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

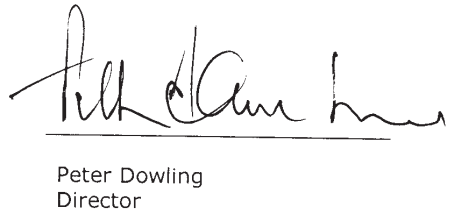
The Trustee declares that:

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

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



Margot Sweeny
Director



Peter Dowling
Director

Sydney, 31st October 2012

Credit Union Relief Fund

Statement of Comprehensive Income

For the financial year ended 30 June 2012

	2012 \$	2011 \$
Revenue		
Queensland flood appeal funds collected	-	62,395
Interest earned	-	5
Total revenue from ordinary activities	<u> </u>	<u>62,400</u>
Expenses		
Queensland flood appeal proceeds paid to Queensland Department of Premier and Cabinet	-	62,260
Administration expense	-	140
Total expenses from ordinary activities	<u> </u>	<u>62,400</u>
Other Comprehensive Income	<u> </u>	<u> </u>
Total Comprehensive Income	<u> </u>	<u> </u>

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

Credit Union Relief Fund

Balance Sheet

As at 30 June 2012

	2012 \$	2011 \$
Current Assets		
Cash on hand	100	100
Total Current Assets	<u>100</u>	<u>100</u>
Net Assets	<u>100</u>	<u>100</u>
Equity		
Settled funds	100	100
Total Equity	<u>100</u>	<u>100</u>

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

Statement of Changes in Equity

	\$	\$
For the financial year ended 30 June 2012	Settled Funds	Total
Settled Funds	100	100
Total Comprehensive Income	-	-
Balance at the end of the financial year	<u>100</u>	<u>100</u>
For the financial year ended 30 June 2011	Settled Funds	Total
Settled Funds	100	100
Total Comprehensive Income	-	-
Balance at the end of the financial year	<u>100</u>	<u>100</u>

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

Credit Union Relief Fund

Cash Flow Statement

For the financial year ended 30 June 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Proceeds of Queensland flood appeal collected		-	62,395
Interest received		-	5
Proceeds of Queensland flood appeal paid to Queensland Department of Premier and Cabinet Administration expenses		-	(62,260)
		-	(140)
Net cash provided by operating activities	4b	-	-
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		100	100
Cash and cash equivalents at the end of the financial year	5	100	100

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

Credit Union Relief Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

Note Contents

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

Credit Union Relief Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

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.

The following standards and interpretations relevant to the Fund became effective in 2012:

- AASB 2010-4 '*Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*'. Amendments arising from AASB 101 '*Presentation of Financial Statements*' dealing with items classified as "other comprehensive income".
- AASB 2010-5 '*Further amendments to Australian Accounting Standards*': This standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations. These amendments have no major impact on the requirements of the amended pronouncements.
- AASB 124 '*Related Party Disclosures*' AASB 2009-12 '*Amendments to Australian accounting Disclosures*': These requirements clarify the definition of a related party and include an implicit requirement to disclose commitments involving related parties.

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 except as otherwise stated.

Standards and Interpretations issued but not yet effective

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

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 ' <i>Financial Instruments</i> '. Includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2013	30 June 2014
AASB 13 "Fair Value Measurement" and AASB 2011-8 "Amendment to Australian Accounting Standards arising from AASB 13"	1 January 2013	30 June 2014
AASB 2011-9 "Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income"	1 January 2013	30 June 2014

Credit Union Relief Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

1. Adoption of new and revised Accounting Standards (continued)

These Standards and Interpretations will be first applied in the financial report of the Fund that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be the Fund's annual reporting period beginning 1 July 2012. The Trustee anticipates the adoption of these standards will have no material financial impact on the future periods for the Fund.

2. Significant accounting policies

Statement of Compliance

The financial report has been prepared at the request of the Trustee and has been prepared as a General Purpose Financial Report in accordance with Australian Accounting Standards and Interpretations (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of the Relief Fund comply with International Financial Reporting Standards ('IFRS').

The financial statements were approved by the Trustee on 31st October 2012.

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

Critical Accounting judgements and key sources of estimation uncertainty

The Trustee is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

a. Cash and Cash Equivalents

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

b. Receivables

Loans and receivables are measured at amortised cost (less impairment) using the effective interest method.

Credit Union Relief Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

2. Significant accounting policies (continued)

c. Impairment of Financial Assets

(i) Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Other Assets

The Relief Fund reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

d. Goods and Services Tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST) except:

- i. Where the amount of GST is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables and payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

Credit Union Relief Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

2. Significant accounting policies (continued)

e. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

	2012 \$	2011 \$
3. Auditor's remuneration		
Auditor's remuneration	-	-

The auditor of the 2012 financial report is Grant Thornton Audit Pty Ltd. For the 2011 financial year, the auditor was BDO Audit (NSW-Vic) Pty Ltd.

Auditor's remuneration for the financial year ended 30 June 2012 of \$1,000 was paid by Abacus Australian Mutuals Limited (2011: Credit Union Foundation Australia Trust Fund).

4. Notes to cash flow

a. Reconciliation of cash and cash equivalents

Cash on hand	100	100
Total cash and cash equivalents	100	100

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

Net cash flow provided by operating activities	-	-
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5. Financial instruments disclosures

	2012 \$	2011 \$
Carrying value:		
Cash on hand	100	100

Fair value:

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

Credit risk

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

Interest rate risk

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

Liquidity risk management

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

Credit Union Relief Fund

Notes to the Financial Statements For the financial year ended 30 June 2012

6. Related party disclosures

(a) Directors

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

B. Bennett (Resigned 28 August 2012)
R.B. Dowland (Resigned 28 August 2012)
P.G. Dowling
M. Sweeny
T.L. Turner (Resigned 27 August 2012)
L.M. Petschler (Resigned 8 June 2012, re-appointed 9 October 2012)

The compensation of the specified directors was nil (2011: nil).

(b) Service agreement

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

7. 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.

8. Additional information

Credit Union Relief Fund is a trust formed in Australia.

The registered office and principal place of business are both:

1 Margaret Street
SYDNEY NSW 2000

12 November 2012

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000
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W www.grantthornton.com.au

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial report, of Credit Union Foundation Australia Trust Fund (the Fund), which comprises the Balance Sheet as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Trustee's Declaration. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2012.

Trustee's Responsibility for the Financial Report

The Trustee of the Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Trustee also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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.

a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Liability limited by a scheme approved under Professional Standards Legislation

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

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

Independence

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

Opinion

- a the financial report of Credit Union Foundation Australia Trust Fund gives a true and fair view of the Fund's financial position as at 30 June 2012 and its financial performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.
- c the financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations for the year ended 30 June 2012; and
- d monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2012, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.

Yours faithfully
GRANT THORNTON AUDIT PTY LTD



Neville Sinclair
Partner - Audit & Assurance

Appendix A – Western Australia Charitable Collections Regulation 1947

Significant Control Requirements

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

Financial Management

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

Fundraising

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



CUFA

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Developing People

Strengthening Communities