



# CUFA Sustainability Report

July 2010 to June 2011

Developing People  
Strengthening Communities



CUFA

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July 2010 to June 2011

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# Introductions

Chair  
Executive Officer



## Chair Introduction

This sixth annual report continues CUFA's commitment to communicate our social, environmental and economic performance. As my first year as Chair and new member of the CUFA Board, this report is also an important way to recognise CUFA achievements in recent years, and communicate a clear and determined path for the future.

The task ahead involves core strategy areas that:

Develop and deliver services

and programs which alleviate poverty by supporting the growth of sustainable financial cooperatives.

Expand and enhance CUFA's direct relationships with a broad range of supporters.

Strengthen CUFA as a sustainable financial cooperative development agency.

I thank former Chair John Baistow for his efforts during his term as Chair in bringing CUFA to this point, and I look

forward to working with the renewed Board in setting direction and priorities to secure CUFA's position as a sustainable and effective agent for change to improve people lives and relieve poverty through the provision of access to affordable financial services.

Margot Sweeney



## Executive Officer Introduction

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The strong commitment from the Australian credit union movement has meant that CUFA has been able to grow and strengthen during 2010/11. Existing programs such as the Village Entrepreneur initiative has really taken hold and new programs such as the Hall of Honour have been launched.

CUFA's project activities in the field have made great inroads to alleviating poverty through the strengthening and growth of emerging credit unions in the Asia Pacific region. Increased funding from Australian credit unions as well as the Australian government has seen an expansion of our reach and a huge increase in project outcomes at an institutional, community and individual

level. The Australian credit union movement can be proud of their support of CUFA's five project offices around the Asia Pacific region with more than 40 international staff supporting their credit union communities through a variety of innovative project activities.

This year we also plan to provide a supplementary report on the Social Return On Investment (SROI) throughout our program provision. We recognise that in the current economic climate donors are more and more looking at the social returns on their investment in development projects. This plan will be released in December.

We continue, as in previous years, to be conscious of our

environmental impacts in each of the regions where we operate and we are conscious of our need to reduce our environmental impacts. CUFA understands the importance not to only measure our impact but also ensure that we look at ways of changing our behaviour to reduce those impacts. In past years CUFA has offset our carbon emissions through third party organisations and we are currently looking at integrating our offsetting processes within our current project provision.

I hope you enjoy reading our latest sustainability report.

Peter Mason



# CUFA and Sustainability



## Sustainability Introduction

CUFA (Credit Union Foundation Australia) produces annual reporting to provide supporters and others with open, transparent and accountable disclosure. We present what we do in Developing People – Strengthening Communities, and most importantly report how we do it responsibly and sustainably.

This report documents sustainability performance during the financial year July 2010 to June 2011, and is our sixth consecutive annual disclosure since reporting started in 2006.

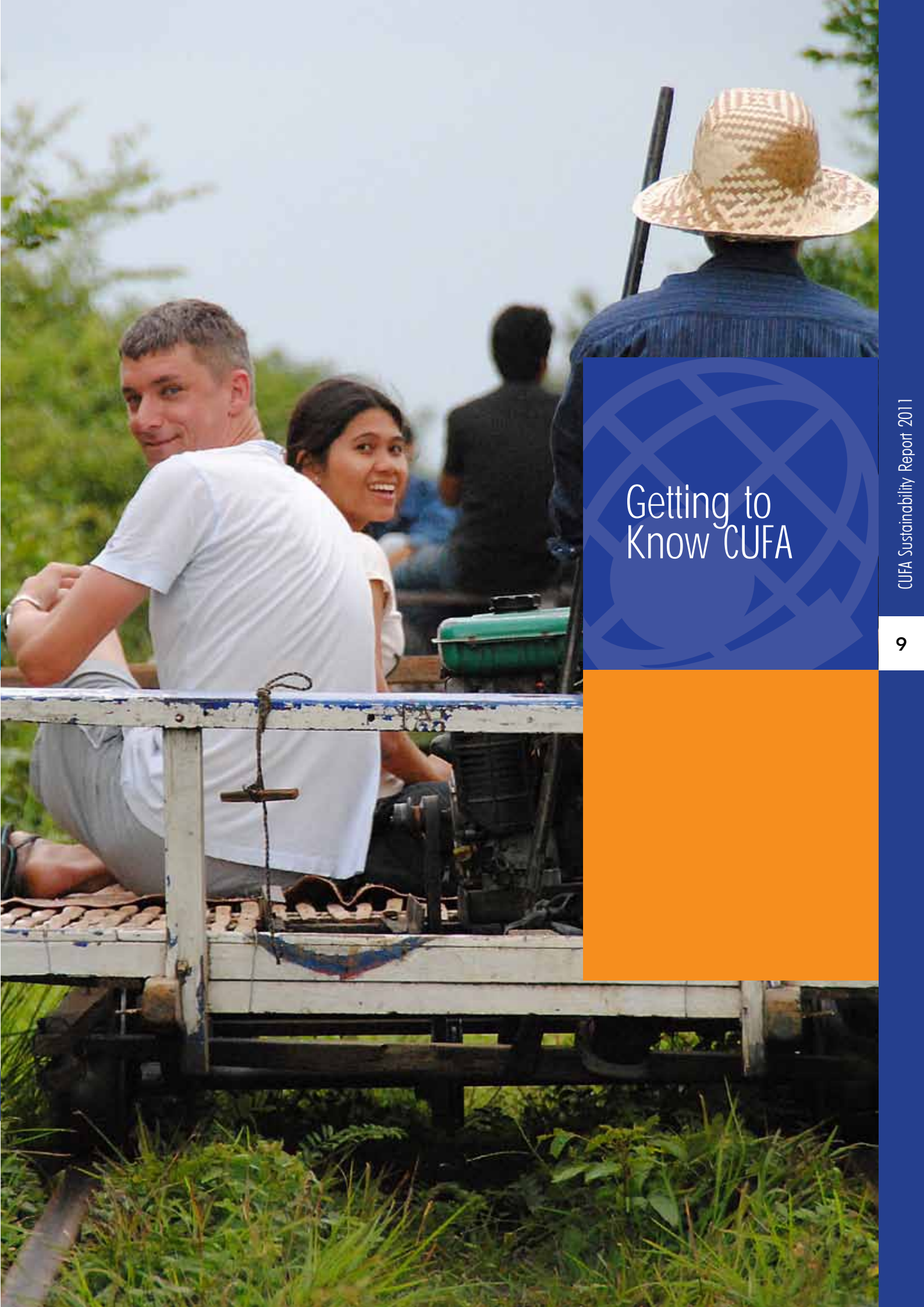
We encompass all our regional

operations and activities in this report on our core relationships to sustainability, and discuss our performance in terms of the people, organisations and issues with the greatest or potential impacts, opportunities or risks.

We do hope that by reading this report, you appreciate our work for its direct outcomes and also for the objectives of our work to achieve a better, long term future - through sustainable practice today.

If you would like to comment on this report, request further information, or have any questions, please contact us.

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# Getting to Know CUFA

# Getting to Know CUFA

CUFA (Credit Union Foundation Australia) was created in April 1971. CUFA is a Trustee Corporation with its own constitution, board and mission, and during the reporting period, was a wholly owned subsidiary of Abacus – Australia Mutuals Ltd.

CUFA exists to facilitate social development and create value, not to make a profit. Our vision is of Credit Unions, mutual Building Societies and financial cooperatives promoting financial and social well-being in communities, and our mission of empowering communities through access to affordable financial services - is encompassed by three core objectives:

- ⦿ To develop and deliver services and programs which alleviate poverty by supporting the growth of sustainable financial cooperatives;
- ⦿ To expand and enhance CUFA's direct relationships with all stakeholders;
- ⦿ To strengthen CUFA as a sustainable financial cooperative development agency.

We strongly believe in recognising and being accountable for our social responsibilities and best practice, and seek to influence



others to achieve improved standing in society.

Internationally we assist in the development of access to affordable financial services for the poor in Asia and the Pacific regions, to alleviate poverty and build sustainable communities. We work directly with individual credit union members to assist them to start or strengthen a small business as a means to achieving income security through the Village Entrepreneur Program; we work directly with financial

cooperatives to strengthen their technical, staffing, management and board capacities through Building Institutional Capacity Programs; we work with emerging or weakened credit union movements to transition them into effective representative organisations; and at institutional and government levels to ensure that cooperative interests are served by effective legislation and support.

In Australia we work directly with credit unions and mutual



building societies, adding value to their operations and membership communities by providing professional development, community engagement, and development education programs. We also engage at institutional and government levels in limited advisory roles to effect positive change for Australian communities.

Core external standards that guide and shape us:

- ⦿ We are guided by the International Credit Union Operating Principles of democratic membership, non-discrimination, ongoing training and development, building financial stability and practising social responsibility: and all of our activities incorporate these values.
- ⦿ We are an AusAID accredited development agency

- ⦿ We are signatory to the ACFID Code of Conduct

- ⦿ Two of the eight United Nations Millennium Development Goals are directly aligned with our aims:
  - To alleviate poverty
  - Promote equality

In Australia, CUFA holds ATO endorsed DGR status (Deductible Gift Status), and has Authority to Fundraise in each state and territory as our basis to accept contributions and provide formal tax receipts for contributions, tax deductible in Australia.

CUFA's registered office and operational centre is at Level 1 – Margaret Street Sydney NSW 2000. Regional offices are located in Phnom Penh (Cambodia), Suva (Fiji), Honiara (Solomon Islands) and Dili (Timor Leste).



# Highlights and Achievements



# Highlights and Achievements



## CUFA achievements from July 2010 to June 2011

### Strategic Initiatives

- ⊙ Revision and update of the CUFA Strategic Plan: 2011 – 2016.

### Funding Initiatives

- ⊙ Development of a new initiative Hall of Honour commenced in March 2011.

### Equity

- ⊙ Achieved gender equity in board and CUFA Australia staff representation.

- ⊙ Broadening of international program's social inclusion focus to include people with disabilities.

### Funding

- ⊙ Overall supporter contribution increased 13.3% compared to previous year despite a reduced number of Australian credit unions.

- ⊙ AusAID funding increased by 12.2% on previous year.

### Engagement

- ⊙ Establishment of an annual Leadership Challenge Program based in Fiji to raise awareness and funding for Pacific credit union development.

- ⊙ Activation of the Credit Union Relief fund in January 2011 to raise funds for those affected by extensive flooding throughout Queensland.

- ⊙ The Village Entrepreneur Initiative reached more Australian credit unions and members, providing a unique development experience by connecting with a supported recipient credit union member in Timor Leste or Cambodia.

- ⊙ CUFA introduced rebranding

to better communicate our work and appeal to a wider audience.

### Program Development

- ⊙ Achieved NGO Status in Cambodia and the Solomon Islands.

- ⊙ Registration of Oceanic Confederation Of Credit Union Leagues, formerly known as Pacific Credit Union Network, Suva, Fiji.

- ⊙ Establishment of a representative credit union peak body Hanau Malu, to further build capacity and sustainability of Timor Leste credit unions.

### Program Delivery

International program primary goal achievement

## Development Program Performance

Project Name	Goal	Annual Target	Achievement
Cambodia - Building Institutional Capacity	To build a strong, sustainable credit union movement in Cambodia that will broaden access of financial services to rural communities and will reflect the International Credit Union Operating Principles.	127 credit union Field Support visits, involving 1270 implementation support days	131 visits over 1270 implementation support days
Cambodia - Building Trust Program 2007-2013	To build trust in the savings bank concept at a grassroots level by establishing permanent buildings for communities demonstrating commitment and capacity to build membership to qualify.  Performance Context: 2007-2013 time frame	Qualified Community Buildings 7	6 Community Buildings completed
Cambodia - The Children's Financial Literacy Program	The provide financial literacy education to children in order to encourage good savings habits at a young age and assist village savings banks to promote children's membership and savings.	12,000 participant children	12,300 participant children received financial literacy education
Timor Leste - Building Institutional Capacity	To strengthen the credit union movement in Timor Leste and provide access to financial services and products to the rural poor while improving the participation of women in the credit union movement. Establishment of a representative credit union organisation to further build capacity and sustainability of Timor Leste credit unions	124 Support Visits (Quarterly support to 31 credit unions)	159 Support Visits to 31 credit unions
Solomon Islands - Capacity Building and Institutional Strengthening	Increase the capacity of savings clubs as safe and secure facilities providing financial inclusion activities to the rural poor. Assist SICUL to update their records of savings club location, activities and membership.	128 Savings Club Support Visits	163 Savings Club Support Visits

Project Name	Goal	Annual Target	Achievement
Oceania - Oceanic Confederation of Credit Union Leagues	To re-establish a network for the Pacific credit unions - representative body that will train, assist and organise the credit union movement among the Pacific.  Performance Context: first full year of operations	Memberships – 25 Number of developing leagues and federations served	29 Members 4 Country Visits 2 Technical assistance outreach visits
Sri Lanka - Reconstruction Project	Strengthen the Sri Lanka credit cooperative system, support financing of agricultural sector and assist post-tsunami efforts Context: Goals end date June 2011	Members 80,000	Reach 56,766 members
Poverty Alleviation Measurement Tool	Research program participants and related people to establish baseline data to identify and measure change impacting poverty reduction.	Conduct field surveys in Cambodia and Timor Leste during 2010/2011.	Cambodia March 2011 Timor Leste August 2011. 2000 participant interviews.
Village Entrepreneur Initiative	Improve lives & alleviate poverty of poorer credit union members through supported small business training, support and development.	Open Target	123 active Village Entrepreneurs. 12 Village Entrepreneurs achieved business sustainability during 2010-11



Profile of CUFA  
Activities by  
Location &  
Purpose



# Profile of CUFA Activities by Location & Purpose

Purpose	Program Name	Initiated	Status
<b>Australia</b>			
Capacity	Volunteering & Internship - Australia Development Educators Community Champion – Professional Volunteer Program	2006	Active
Appeal	Queensland Flood Relief Appeal – January 2011	2011	Finalised
Appeal	Pakistan Flood Relief Appeal – August 2010	2010	Finalised
Communication	CUFA Sustainability Report	2006	Active
Communication	CUFA Web Services – Re-branded web site June 2011	2007	Active
Communication	Publications: Newsletters, Connexus, Bulletins	2006	Active
Education	Financial Literacy Initiative	2006	Active
Engagement	Disaster Relief Fund	2007	Active
Engagement	Leadership Challenge Program	2008	Active
Engagement	Sponsorship Program	2008	Active
Engagement	Supporters Cocktail Event	2008	Active
Engagement	Village Entrepreneur Initiative – Community Investors	2009	Active
Engagement	Development Education Program	1992	Active
Recognition	Supporter Recognition	2006	Active

## Cambodia

Development	Cambodia Building Institutional Capacity	2007	Active
Development	Cambodia Building Institutional Trust	2007	Active
Development	Cambodia Children's Financial Literacy Program	2007	Active
Development	Village Entrepreneur Initiative	2009	Active
Evaluation	Poverty Alleviation Measurement Tool	2009	Active

## Fiji

Development	Oceanic Confederation of Credit Union Leagues	2009	Active
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## Oceania

Development	Pacific Credit Union Technical Congress	2008	Active
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## Myanmar

Development	Emerging Leadership	2011	Active
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## Solomon Islands

Development	Building Institutional Capacity	2007	Active
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## Sri Lanka

Development	Reconstruction Project	2006	Finalised
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## Timor Leste

Development	Building Institutional Capacity	2008	Active
Development	Village Entrepreneur Initiative	2009	Active
Evaluation	Poverty Alleviation Measurement Tool	2009	Active



Foundations and  
Principles:  
Important Facts

# Foundations and Principles: Important Facts

## Foundations and Principles: Important Facts

CUFA subscribes or endorses these external charters and standards:

- ⦿ ACFID's Code of Conduct for international development
- ⦿ Australian Credit Union Movements values
- ⦿ International Credit Union Operating Principles
- ⦿ Accounting Standards Australia
- ⦿ Australian State and Territory based Authority to Fundraise

### Board and Staff

CUFA is a Trustee Corporation



with a board of up to 6 voluntary members. During this reporting period, the CUFA board composition was: 1 Cuscal Director (retired), 1 Abacus Director and 5 independent board members - comprising representatives from the credit union sector. None of the board members were CUFA executives. The CUFA board convenes 6 times each year. Board tenure is limited to three years unless re-elected. During 2011, 1 Board member resigned, 3 Board members retired and

4 new board members were appointed. CUFA thanks John Baistow, John Paine and Ken Mutton for their valuable contribution, and welcomes Margot Sweeny, Brian Bennett, Rowan Dowland and Therese Turner as board members appointed during 2011. Louise Petschler, and Peter Dowling are continuing board members.

A separate International Development Working Group acted independently to the board, as a working group to



provide feedback, suggestions and recommendation in relation to CUFA international project activities.

Senior CUFA staff prepared reports for each board meeting, and were often invited to personally present project activities to the board, and participate in open discussion.

### **Program Design and Operation**

Program partners are involved in program design and

program recipients are directly involved in program evaluations. All development programs undergo bi-annual monitoring and annual evaluation, conducted by CUFA or impartial professional volunteers.

Outcomes feed directly into revised project plans, and flow through quickly into delivery planning and logistics, and staff training. Change is communicated to contributors and project investors directly and in CUFA publications.

The international credit union system has a set of Operating Principles, one of which is non-discrimination.

This encompasses discrimination on the grounds of gender. CUFA and its partners follow this operating principle in all program and project activities, and design is invariably based on equal opportunity and access for men and women to participate in training, support and exposure.

## Funding

CUFA receives funding through grants, contribution, sponsorship and in-kind support. CUFA solicits support - and willingly accepts contribution - from those aligned to or associated with cooperative principles - being a natural fit with their interests or strategic motivations and goals.

CUFA provides recognition of all supporters as appropriate and necessary disclosure of significant contributor detail as required by law and code of conduct.

During 2010 - 2011, our 7 largest individual funders and contributors were:

AusAID

Abacus - Australian Mutuals

Community CPS Australia Limited | Credit Union Australia Ltd

Gateway Credit Union Ltd | mecu Limited

Teachers Credit Union Ltd

## Economic scope and impact: International Projects Fund

The majority of funds allocated to a specific program are expended in country, greatly adding value to the domestic economy and providing employment opportunity for its communities. CUFA International programs are staffed almost entirely by staff recruited and employed locally, and supported by Australian based staff either in-country or via communications from Australia.

Total project expenses during 2010-11 were \$1,302,265.

Full financial reports of CUFA International Projects Fund, CUFA Trust and CUFA Relief Fund are available in financial accounts section in Appendix 9.4.





## Sustainability Partnerships

- Development Recipients
- Engagement Partnerships
- Contributors & funders
- Development Partners
- Regulator and Governance Frameworks
- CUFA Board, Management and Staff
- Environment



## Sustainability Partnerships Development Program Recipients

Our primary motivation is to ultimately alleviate poverty by developing or facilitating access to affordable financial services, and we devote most of our resources to program recipients.

Our attention is firmly on delivering to those most in need at grass roots levels, the “poorest of the poor”, the unserved or underserved – and building capacity in organisations that support them.

CUFA undertakes activities that build long term benefits by creating capacity for people, organisations and communities to provide for themselves as a core way to gain independence and sustainability.

According to various indicators, Timor Leste, Cambodia and the Solomon Islands are the nations in our regional focus that have significant populations living in or near poverty. Other regions have challenges of isolation and under-development; political uncertainty impacting socio-economic development; and climate change directly impacting food certainty & increased prevalence of natural disaster.

CUFA enters a region that has political & civil stability and is safe for staff and participants. Recipient group needs are identified; partnerships and programs are established, delivered and evaluated. CUFA voluntarily exits a region when sustainability goals have

been achieved and are well established.

Our primary poverty reduction strategy is to establish, re-establish & strengthen community owned savings institutions for communities to gain safe, trusted and competent places to deposit savings and access financial services. This creates savings that can then be mobilised as affordable credit - critical for those previously unable to access credit due to isolation or are trapped in a debt-spiral created by predatory loans practices. Funds remain productive or in reserve in the local community, enabling a stronger local economy to grow, the back-bone for broader social and economic



security and development – and poverty reduction or alleviation.

By also creating or working with representative bodies to support the interests of a group of related community owned savings cooperatives – and improving their capacity to ultimately operate in a sustainable manner – adds another layer of potential for social and economic security and development – and poverty reduction or alleviation.

We also advocate for and engage with governments to achieve reform and support effective cooperative law, so that responsibility is established at the highest levels possible in each nation.

We engage in development and engagement programs with these communities:

**Asia**

Rural and poor communities in Cambodia, program design dialogue in Myanmar and outreach programs in the region

**Pacific**

Support to communities and nations throughout the oceanic region to strengthen emerging Pacific credit union movements and credit unions.

Rural and poor communities in the Solomon Islands and Timor Leste.

**Australia**

Australian credit unions and mutual Building Societies, their staff & their members  
 Affiliated organisations and suppliers & their staff  
 Our employees, volunteers and interns

Our contractors and suppliers

We engage with development

program recipients through education and capacity building programs such as:

**Building Institutional Capacity** - Cambodia, the Solomon Islands and Timor Leste: Training, support and resources for community based financial cooperatives to build membership, achieve effective operations, improve management and governance practice; support and strengthen representative bodies; advocate for and engage with government and institutions to achieve reform and support effective cooperative law and support.  
**Building Trust** - Cambodia. Provision of permanent buildings for eligible community based savings cooperatives, to rebuild trust in communities and provide services to nearby unserved communities.

**Children's Financial Literacy - Cambodia.** Personal awareness skills of money and savings for children aged 7 to 9, retaining skills for later life and impart skills to family, typically to their uneducated parents or siblings not involved in the program, who benefit from this education.

**Oceanic Confederation of Credit Union Leagues -** Re-establish a network for Pacific credit unions and financial cooperatives. A representative body that will train, support and organise the Pacific credit union movement, so that this diverse and isolated region can have a common voice and much needed technical assistance.

**Village Entrepreneur Initiative - Cambodia and Timor Leste.** Individual credit union members who seek a better life through micro-business development, receive ongoing funding from Community Investors for three years, and CUFA manages the selection and support of Village Entrepreneurs as they are guided towards financial security and removal from poverty.

**Poverty Alleviation Measurement Tool -** A scale appropriate tool for CUFA to quantitatively report on project activity impact on poverty alleviation in communities. The program was developed in partnership with Dr Habib of Swinburne University of Technology.

 [www.cufa.com.au/programs](http://www.cufa.com.au/programs)





## Sustainability Partnerships Development Partners

CUFA seeks and involves program partners that have common interests - for mutual benefit, risk reduction, credibility and more effective outcomes.

Development partners engage with CUFA throughout project cycles, add capacity and cultural context to deliver projects effectively by combining their local expertise and networks. Further value is added when partner programs align and each is able to deliver inputs to the others program; saving resources, avoiding duplicity and improving quality of delivery to recipients.

CUFA cooperated with these Development Partners during 2010 -2011:

SWINBURNE | Swinburne University of Technology | Cambodia and Timor Leste

CAC | Cambodia - Cooperative Association | Cambodia

CCFin | Cambodian Community Foundation Network | Cambodia

SEDOC | Socio-Economic Development Organization of Cambodia | Cambodia

FLIFLY | Farmer's Life Improvement Foundation of Life and Youth | Cambodia

FSCUL | Fiji Savings and Credit Union League | Fiji

FESALOS | Federation of Savings and Loan Societies

SICUL | Solomon Islands Credit Union League | Solomon Islands

WOCCU | World Council of Credit Unions | Sri Lanka

DNCOOP | Direccao Nacional Das Cooperativas | Timor Leste

Federation Hana Malu | Timor Leste

CCS | Central Co-operative Society | Myanmar

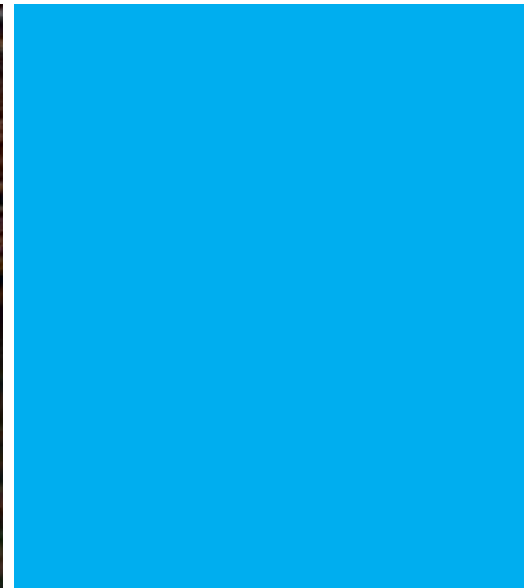
Membership partners provide CUFA with a network of opportunity, knowledge, and governance frameworks.

CUFA Memberships active during 2010 - 2011:

ACFID | Australian Council for International Development  
 Australian Micro Finance Network  
 ACCU | Asian Confederation of Credit Unions  
 Make Poverty History  
 Microfinance Pasifika  
 Oceanic Confederation of Credit Union Leagues  
 AID/WATCH

CUFA holds no interests in the above membership organisations and does not receive any benefits, beyond normal obligations and benefits provided by membership fees, protocol signatory or Partnership Memorandum of Understanding.

 [www.cufa.com.au/partners](http://www.cufa.com.au/partners)





# Sustainability Partnerships Engagement Partnerships

CUFA engages with individuals and organisations in Australia to:

- ⊙ build direct relationships with them;
- ⊙ strengthen their relationships with their membership communities;
- ⊙ raise awareness of financial and social well-being in communities & how they can play a role in this; and
- ⊙ increase support of CUFA and its programs.

CUFA seeks to carefully add value to all people and organisations it engages with as supporters – by ensuring there is a direct and important link to values in our relationship with them. This will underpin both financial support

and constituency growth to ensure that CUFA remains a relevant and sustainable development agency.

Existing activities revolve around:

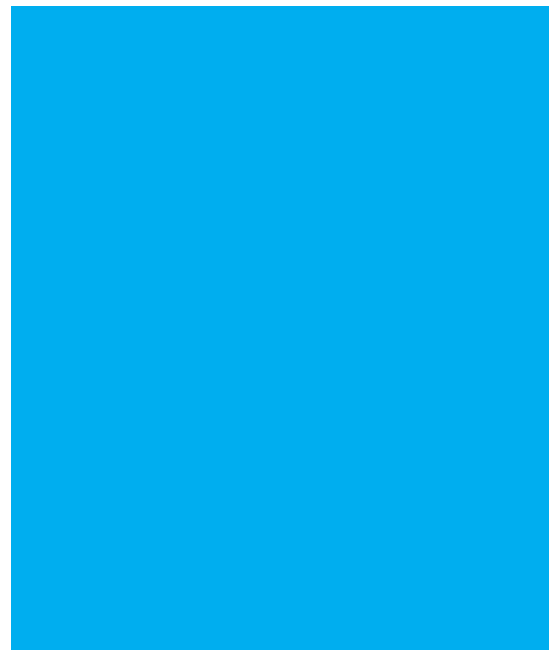
- ⊙ Building credit union and other financial cooperative's internal capacity for more effective community investment and improved community relationships: Challenge Program, Development Education, Financial Literacy Initiative, Supporter Recognition, tailored fundraising events and Hall of Honour.
- ⊙ Platforms for credit unions, mutual building societies and other cooperatives to engage nationally around a need: Australia Disaster Relief Fund, such as for the Queensland Flood Relief Appeal in 2011 -

and International Disaster Relief Appeals such as Pakistan Flood Relief Appeal in 2010.

Future strategy and activities to build constituency will embrace:

- ⊙ Improved communications to attract supporters, including specific branding of certain programs to further focus their message and enable each program to be closely aligned with partner interests and activities
- ⊙ Working with a limited number of credit unions on co-branded communication activities to reach their membership
- ⊙ Supporter activities that will build better relationships to values and connection to CUFA

- ⦿ Improved resources for CUFA to foster and maintain relationships
- ⦿ Generic or partner branded communications and tools so that promotions and fundraising campaigns are driven by partners, and managed by CUFA – building the reputation of both and providing CUFA with valuable income streams





## Sustainability Partnerships Contributors & Funders

Only six years ago, CUFA relied almost entirely on grants, the generosity of Australian credit unions and on its parent company to fund activities.

CUFA now receives funding from a variety of sources: Contribution from individuals and organisations; Grants from funding bodies; In-kind support; and Sponsorship.

To address the scope of financial cooperative development needs in our region, and to ensure that CUFA can exist independently in the future, more diverse funding sources are required, and CUFA activities during the year to achieve this were:

- ⦿ Improved relationships

with credit unions has seen the number of credit unions contributing increase each year; and the overall contribution from this group has increased.

- ⦿ Improved communications with contributors to assist them to support specific programs - a valuable way for supporters to connect their values with projects they identify with.

- ⦿ Broadening of the Leadership Challenge to include an annual program in Fiji raising awareness and funding for credit union development in the Pacific region; plans for a pilot Youth Challenge early in 2012, appealing to a different participant market of potential supporters and advocates.

- ⦿ Redevelopment of the Village Entrepreneur program,

to reinvigorate its appeal to Australian credit unions and their member communities, and developing proposals to work in partnership with a limited number of credit unions on co-branded communications direct to members.

- ⦿ Sponsorship – fee based exposure opportunities for Australian organisations in appropriate CUFA programs

CUFA is succeeding in diversification of its supporter contributions, and retaining loyalty of traditional funders. During 2010 – 2011, core funding support from AusAID and parent company Abacus - Australian Mutuals – increased overall – yet represented about 48% of total income, down from 60% on the previous year.



## Sustainability Partnerships External Frameworks

CUFA operates within strict external frameworks provided by:

### AusAID

CUFA is accredited by the Australian Federal Government's overseas development body, AusAID. CUFA is among 33 organisations that are fully accredited by AusAID to receive funding to carry out overseas development work on behalf of the Australian government under the AusAID NGO Cooperation Program (ANCP). A further 10 organisations have base accreditation. The rigorous accreditation process is designed to ensure that funding is only awarded to professional and well-managed development organisations

capable of delivering the development outcomes. CUFA re-accreditation was achieved in April 2009, for a period of five years to 2014.

### ACFID Code of Conduct

As a member of the Australian Council for International Development (ACFID) and a signatory to the Code of Conduct, we are committed to high standards of integrity, accountability, governance and management in our support of developing communities around the world.

ACFID is an independent national association of Australian non-government organisations (NGOs) working in the field of international aid

and development.

ACFID Vision: promote conditions of sustainable human development in which people are able to enjoy a full range of human rights, fulfil their needs free from poverty, and live in dignity. It administers the Code of Conduct committing members to high standards of integrity and accountability.

The ACFID annual reporting requirements are integrated into this report, complying with ACFID Code of Conduct clause 4.1 "Communication with the Public".

Refer to Appendix 9.1 for details.



## Sustainability Partnerships

### CUFA Board, Management, Staff & Volunteers

CUFA depends on a variety of people to govern, manage, develop and deliver its strategic objectives effectively, and has a strong, capable and flexible team of management, staff and volunteers.

Due to the range of CUFA programs and their physical delivery locations, skilled and experienced local people are employed to deliver programs and provide program support. This adds considerable value to each area by:

- ⦿ Ensuring culturally appropriate delivery in native language, rather than translation from English, where staff and participants are more likely to understand each other and communicate effectively.

- ⦿ Ensuring consistency and continuity during longer programs, where all parties build trust and are better able to resolve problems if they arise.

- ⦿ Long term value is created by the program for the local communities through employment opportunities and established skills remain in the community.

- ⦿ Impacts of travel are greatly reduced or eliminated due to staff being employed from the area.

Where local staff require support and development before being engaged on a project, or a component of a project requires delivery by a technical professional; CUFA

has strategies to draw on available senior CUFA staff or experienced volunteers. All in-country programs are delivered by local teams under the guidance and supervision of an Australian based international development program manager and support staff, and assistance is also provided onsite or by communications with Australia based staff.

Volunteers provide valuable experience and skills to CUFA programs, adding to our capacity to achieve our goals. We have recognised the range of volunteers involved with CUFA over the last year in the following section.

Several CUFA staff have been employed for 5 years or more, and during this period 7 new positions were created, and with 4 staff recruited to take over from resigned staff, and 3 staff completing short term

employment agreements.

Of the 43 staff members employed during this time, the gender profile was 33 male and 10 female.

### CUFA Board of Director details

#### Brian Bennett

Dip Comm, CPA, FAMI, AIMM  
Appointed 7 December 2010

#### Rowan Dowland

GAICD, ADAIM  
Appointed 7 December 2010

#### Peter George Dowling

AM BA (Acc), FCPA, FAICD  
Appointed 1 November 2008

#### Louise Petschler

BA (Hons) MAICUD  
Appointed 20 February 2008

#### Margot Sweeny

B Bus, MEc, CPA, ACS, SA Fin, FAMI, JP (Chair)  
Appointed 14 September 2010

#### Therese Turner

MBA, Adv Diploma Accounting, MAMI  
Appointed 7 December 2010

### Retiring Directors - Held Office during the year

#### John William Baistow

BA, Dip Bus Stud, Dip CD, FAICD, MBA (Tech Mgt); FAMI  
Appointed 7 December 2006  
Retired 7 December 2010

#### John Richard Paine

Dip. Fin. Services AMI, MAIM, JP  
Appointed 1 November 2006  
Retired 1 November 2010

#### Kathryn Anne Skipper

AM, FAICD, FAIM  
Appointed 18 February 2009  
Resigned 6 July 2010

#### Kenneth Mutton

Dip BA, Dip Fin. Services, FAMI  
Appointed 5 April 2007  
Retired 5 April 2011

### CUFA Employee Profile 2010 - 2011

#### Australia

Executive Officer

Project Officers Australia

Peter Mason.

Anne Casey, Sally Chapman (#) (^), Catherine Drummond,  
Philip Lambert, Odessa O'Brien (#) (+)

#### In-Country

##### Cambodia

Kundi Lay, Phearun Pov, Pheakney Ouch (#), Leap Chhengla (#), Nong Sokhdom (#), Ratha Ra (#), Sothea Sreng (\*), Sreyrath Thou, Phanna Khim, Borey Yi, Ly Salim, Pannarith Houy (\*), Sockchan Pech (\*), Tola Som(#), Dim Den, Chem Someoun, Tol Thy & Eng Nguon Hour

Fiji  
 Finau Elder, Amal Kumar (#), Luse Tamani (#) & Meridani Lutubula (#)(\*)

Solomons  
 Simon Waneta, Harry Noel, Patrick Unga (#) (^) and Pattenson Pudi (#) (\*)

Timor Leste  
 Aleixo Alves Gusmao, Jose de Jesus (\*), Angelo Moniz Jong (#), Abel Belo da Silva (#), Martinho Soares, Benjamin Dos Santos Noronha, Herculano Amaral (#) (\*), Delius Constantino, Hero Elwarin, Izidro Pereira, Rosa D Silva.

- # Recruited during period
- ^ Contract Completed
- \* Resigned during period
- + Termination during probation

### Full Time Staff Equivalence Profile

Staffing	2011	2010	2009	2008	2007	2006
Australia	4.39	4.38	4.33	4.87	3	3
In-Country	24.70	19.52	17.44	8.17	0.5	0
Interns (* included in Volunteers)	*	*	*	0.64	0.5	1.35
Volunteers	1.32	1.51	0.53	1.13	1.25	0.8
Payroll FTE (All paid staff)	29.09	23.91	21.76	13.04	3.49	3
Total FTE	30.41	25.42	23.54	14.81	5.2	5.15

### Volunteerism

Voluntary engagement exemplifies the principles on which the credit union movement rests and is of great value to CUFA and our international partners.

CUFA supports volunteerism in two forms: Professional and Educational

Professional volunteers provide CUFA governance and assist with technical aspects of

program design and delivery, typically where a task requires a relatively short period of deployment.

- ⊙ CUFA Board
- ⊙ International Working Group
- ⊙ Domestic volunteers involved as Mentors in the Development Education program, and Leadership Challenge participant Community Project work

⊙ In-Country technical assistance volunteers Educational volunteers participate as interns to assist with operations, and seek exposure and experience as part of a study or career pathway.

- ⊙ Domestic Internships assist CUFA with program and internal capacity development
- ⊙ In-Country volunteer – AYAD (Australian Youth Ambassadors for Development)

Volunteers Australia

CUFA Board

Margot Sweeny, Louise Petschler, Brian Bennett, Peter Dowling, Rowan Dowland, Therese Turner, John Baistow (Retired), John Paine (Retired), Ken Mutton (Retired).

International Development Working Group

John Baistow, Chris Franks, Maree Nutt, Fran Raymond, Brian Bennett. Kiran Hutchinson.

Development Education Mentors

Jason Christie, Belinda Munroe, Chris Deraugo. Kundi Lay.

Development Education Presentors

Teri Wilson, Craig Kennedy, Greg Fisher, Ray O'Brien, Brian Bennett, Philippa Wills, Rowan Dowland, Paul McGrath, Anne Shew.

Program Participant Community Service DE 2010

Karen Whiting, Philippa Wills, Pektry Lay, Lyn Barker, Lesley Cleggett, Robyn Leue, Craig Smith, Carryle Start, Jodie Rogers, Nicholas van Baal, Sam Watson, Harold Ritch, Nick Pavic.

Leadership Challenge (Fundraising and In-country Participation)

Belinda Gemmill, Teri Wilson, Peter Jensen,

Simone Douglas, Lauren Elliott, Karen Hicks, Snezana Peric, Joan Tavita, Jess Jetson, Derek de Vrieze, Gerry Webster.

Advocates

Chris Franks and Teri Wilson.

Special Fundraisers – Sydney City to Surf 2011

Julie Lee and Cathy Burgess.

Volunteers International

Professional

Project Technical Assistance

Greg Fisher - BIC-GAS Cambodia (Audit).

Oceanic Confederation of Credit Union Leagues Advisory Committee

Jack Valentine (Fiji), Michael Koisen (PNG), Selwyn Talasasa (Solomon Islands), Penisimani Epenisa Fifita (Tonga), Brian Branch (USA).

Pacific Congress Presentors

Michael Koisen, Mark Cifuentes, Colin Lenton, Brian Branch, Alan D Cameron, Sue Mitchell, Rob Crawford, Brian Bennett, Anne Cochran.

Volunteer International (AYAD)

Alexander Cullen, Troy Bogaart, Kristin O'Connel.





# Sustainability Partnerships

## Environment

The main environmental impacts of CUFA operations are travel, and the consumption of electricity and materials.

Travel is inevitable for many of the CUFA board, management, staff and many program participants. The challenge for CUFA is to minimise travel as much as possible, while maintaining quality of delivery and stakeholder engagement.

To help understand our travel needs here is CUFA's travel profile for the year.

### CUFA Board

To ensure the CUFA board is representative of Australian credit unions, nominees are invited from across Australia. Due to board renewal and overlap at various times 5

board members were based in Sydney, with 4 flying from Brisbane, Melbourne and Northern NSW to attend up to 6 board meetings each year.

### CUFA Senior Project Managers

#### Partner Meetings

Exploring, forming and maintaining partnerships in the region initially requires numerous visits and a lot of face-to-face contact to build trust, as well as fact finding ground work & research; and official government registration and accreditation activities. This year most partnership forming activity occurred Myanmar, with ongoing partner meetings in each country of our development programs.

### Conferences and Other Events

Each year CUFA exhibits at the Abacus Convention, held this year in the Gold Coast - Queensland. CUFA staff from Cambodia, Timor Leste and Sydney attended. Executive Officer attended the Microfinance Pasifika conference in Vanuatu. 3 CUFA staff attended the ACFID Conference in Canberra.

### Project Monitoring and Evaluation

Each project is monitored at least twice each year, and evaluated annually. Senior CUFA Project Managers not normally associated with a specific project undertake these tasks, and involve travel from Australia to our projects in Cambodia, Fiji, Myanmar, the Solomon Islands and Timor Leste.

## CUFA Project Officers – In-country

In terms of headcount, most CUFA staff live in cities where our operations are based, or close to where our programs are delivered – so most of our staff do not fly often, or travel widely in-country – and have a low to medium travel “overhead”.

Their main need for travel is to reach remote projects to deliver the program, and for support, monitoring and evaluation tasks; and to attend partner meetings and conferences.

### CUFA Volunteers – In-country Program delivery – Professional Skills

Volunteers from the Australian Credit Union movement often volunteer to undertake short to medium term specialist project work involved in our programs  
Greg Fisher – Building Institutional Capacity Cambodia - Credit Union Audit Program

### AYAD

Three volunteers returned from Timor Leste and Cambodia on completion of 3-6 month assignments.

### CUFA Program Participation

Several CUFA staff were involved as participants or mentors of the Development Education program in October 2010; travelling to the Gold Coast Queensland from Timor Leste, Cambodia, & Sydney.

Leadership Challenge participants travelled to undertake a physical challenge and observe CUFA project activities in Cambodia during July 2010 and Fiji in April 2011.

Two CUFA staff facilitating the Pacific Congress 2009 flew to PNG in October 2010.

Greater involvement of in-country staff in Asian regional activities will replace Australian based staff travel, as they are much closer to Singapore and Kuala Lumpur hubs that service

our typical operations in the region. This will eliminate some travel from Australia saving about 10 hours of air travel per staff member return-trip. Each return trip between Sydney and Singapore involves 12,600 kms of transport - 1750 kgs of green-house gas emissions will be avoided if for example Cambodia representatives conduct evaluations or attend conferences instead of Australia based staff.

Our methodology to determine environmental impact involves calculating travel distance from purchase information for the whole financial year. Each instance of air and long-distance bus travel can be accurately measured per sector travelled in kilometres, while for all other forms of transport, an estimate is involved using a formula of the total trips taken @ 5 km’s per person involved to calculate that total ‘people km’s’ travelled, with fixed energy use / GHG emission per km per person.



## Waste

CUFA mainly creates waste of paper materials and equipment consumables. Recycling facilities exist in our Sydney office which is located within an 18 floor building that is agency managed, and is provided with office material recycling and waste removal: neither of these aspects are measured.

To account for waste to landfill that is inevitable from all office locations; a formula of 100 grams per day per FTE is used, with a result of 729 kg of waste to landfill each year, creating 1822 kg of GHG emissions.

## Optimisation

We impress on staff and program participants to use only what they need to, and travel only as required and

only for the best price (which very rarely involves actually travelling longer distance). This has a direct impact on cost reduction and containment, and subsequent environmental impact reduction.

Year-to-year variation in project activity makes our environmental performance hard to evaluate. Our primary aim is to account for impact.

## Offsetting

For this period, will seek offset programs that provide diverse solutions. While we recognise that our impacts also originate beyond Australia, there are no known offset programs in operation within the countries of our programs, that have the capacity to offset impacts caused in each country.



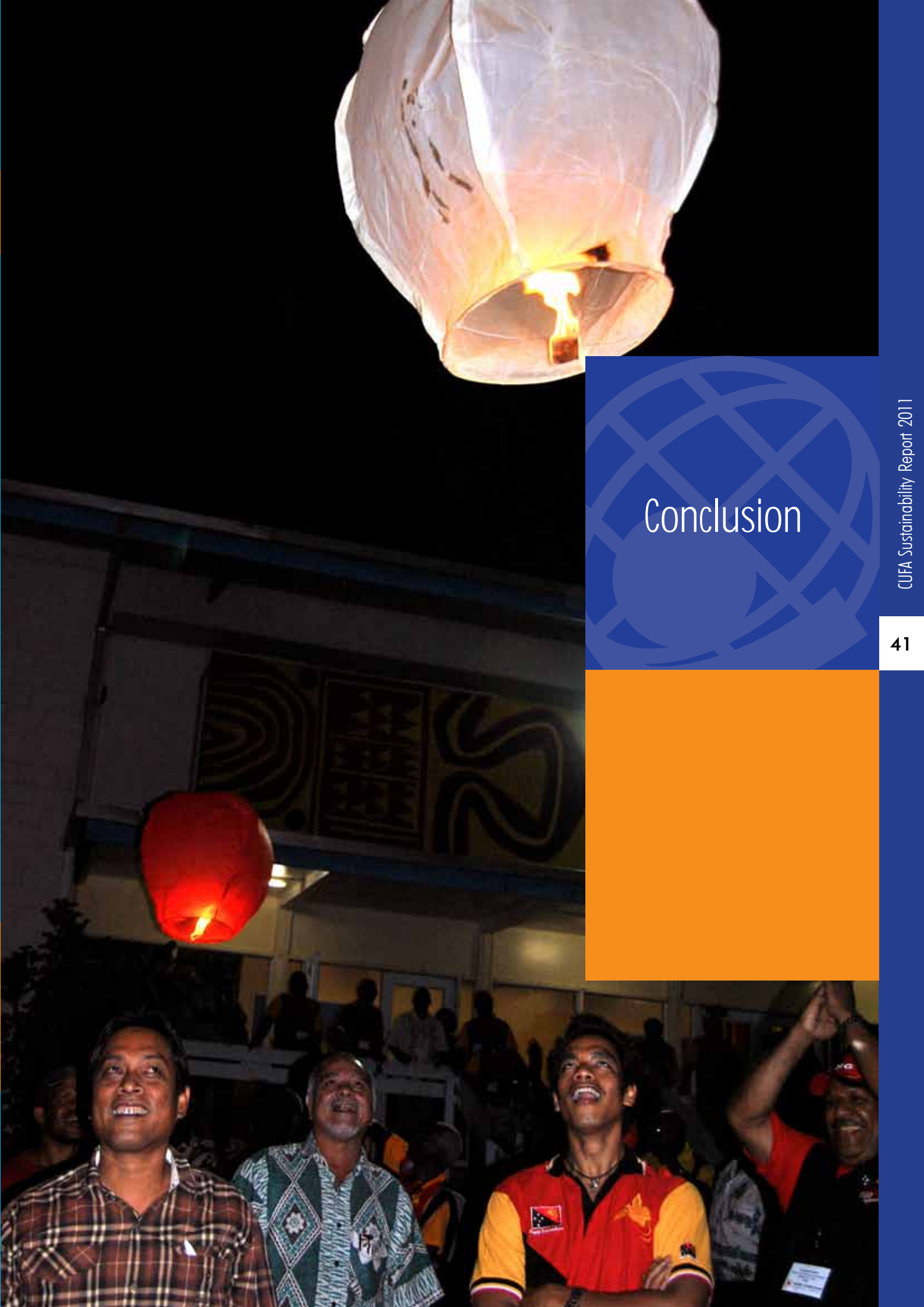
## Environmental Footprint

Our impact on the environment is measured and expressed in terms of carbon dioxide emission equivalence. Following is a breakdown of measured impacts with a bottom line impact footprint.

Emission Aspect	Volume Used	Factor GHGEV+*	Total Emissions (Kg)4.87
Road travel (Taxi, Bus, Car) Kilometres	55,672	0.26	14,474
Australia	2,595		
Cambodia	22,551		
Fiji	1,136		
Solomon Islands	17,280		
Timor Leste	12,110		
Air travel Kilometres	738,413	0.139	102,639
Board Staff	22,432		
Volunteers	467,976		
Participants	30,957		
Partners	166,516		
Partners	50,532		
In premises – Electricity Kwh	50,956	1	50,956
Australia	12000		
Cambodia	19568		
Fiji (est)	4800		
Solomon Islands (est)	6447		
Timor Leste	8141		
Waste: Paper products and packaging Kilograms (estimate per FTE)	729	2.5	1822
Total Emissions – Kilograms	2011 Per FTE	5582	169,891 kg
	2010 Per FTE	6621	168,315
	2009 Per FTE	7050	166,038
	2008 Per FTE	12,816	189,800
	2007 Per FTE	10,289	53,502
	2006 Per FTE	9515	49,000

All impacts have been measured as if they were incurred in Australia, using values described by the Australian Government Department of Climate Change and Energy Efficiency "National Greenhouse Factors July 2010" as there are no available or equivalent standards for the other countries we operate in.

<http://www.climatechange.gov.au/publications/greenhouse-acctg/national-greenhouse-factors.aspx>



## Conclusion

# Conclusion



## Overall sustainability progress review

This report has been an open discussion of our social, environmental and economic performance.

Of all CUFA sustainability performance areas, negative environmental impacts are measurably the greatest, and most difficult to dramatically reduce in the near future.

While air travel in the Asia region will likely reduce with increased in-country staff replacing Australia staff travel, increased activity in the Pacific region involving frequent air travel of supporting staff will offset those gains.

We know that because of what we do and the way we work to

develop people – strengthen communities, that we are making many positive social impacts and our program performance is strong in terms of stated goals and targets, and our future social return of investment reporting will confirm this.

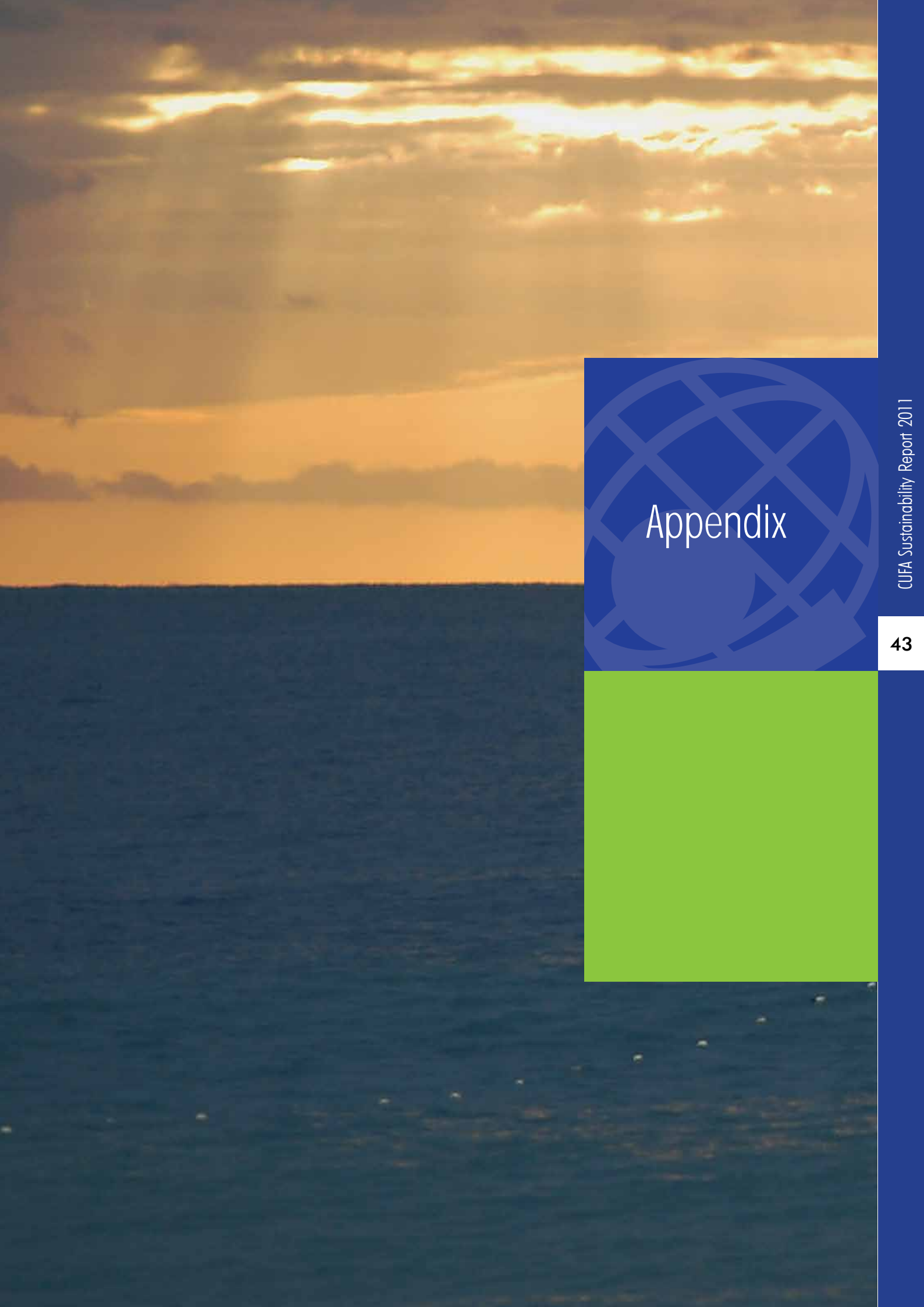
We do acknowledge that we are not yet able to quantitatively report on our contribution to alleviating poverty, however are taking steps to objectively address this.

This report has been written with respect to the Global Reporting Initiative and their G3 Performance Indicators – this year incorporating some indicators of the NGO Sector

Supplement. The relevant set of indicators have been addressed in this report and have been cross-referenced in the following section by page number, or detail provided within the indicator table itself.

In terms of extent of disclosure in line with GRI reporting standards, CUFA self declares a level of C, acknowledging that this report has not been externally assured and does not attempt to report against all indicators.

Please also refer to the following sections for details of CUFA goal setting and performance, and financial reporting for the 2010 - 2011 financial year.



# Appendix

# Appendix

## ACFID Indicator Performance

Statement	Summary	Response
Code of Conduct clause 4.1	An annual report is to be produced and made available to the organisations own members, supporters and members of the public upon request.	The ACFID annual report is integrated into the CUFA Sustainability Report, and complies with ACFID Code of Conduct clause 4.1 within Communication with the Public.
A statement of the organisation's goals or purposes.	A statement of the organisations goal's or purposes are included in the annual report.	See Getting to Know CUFA, page 10 for full details.
A summary of overall program activities by country or region.	A summary of overall program activities by country or region is included in the annual report.	Scope Summary: See Activity Profile, page 17.
Names and qualifications of the Governing Body as well as those who served at any time during the period being reported on.	A list of the names and qualifications of the Governing Body are included in the annual report.	See Board Profile page 34.
Financial reports using the Code of Conduct Summary Financial Report format.	Financial reports using the Code of Conduct Summary Financial Report format are included in the annual report.	Page 61. Full detail is available from the CUFA website at: <a href="http://www.cufa.com.au/go/reporting">www.cufa.com.au/go/reporting</a>  Access Summary and Detailed reports from this location, for CUFA funding vehicles, the Trust Fund and the International Development Fund.
An audit opinion on the financial reports, clearly identifying the auditor (name, company, address and signature).	An audit report (auditor clearly identified) on the financial reports is included in the annual report.	Separate Report. Full detail is available from the CUFA website at: <a href="http://www.cufa.com.au/go/reporting">www.cufa.com.au/go/reporting</a>

**Goal 1: Financial sustainability**

**Strategy 1.1: Position and structure an entity to achieve a sustainable funding position by 2013.**

Action Plans	Progress Description	Reference
1.1.1 Develop and implement a sustainable funding model (eg. independence v subsidisation) consistent with potential changes in the Abacus funding model @ EOFY 2013. Specifically:	Not started	
· Compliance impact	Not started	
· Points of difference	In progress	
· Principles of investment (eg. "non-mutual ADI" investment)	Not started	
1.1.2 Clarify CUFA Board responsibility for funding CUFA development.	Not started	
1.1.3 Implement a "dashboard view" for CUFA Board financial reporting.	Complete. Commenced June 2011	
1.1.4 Clarify CUFA Board Committee roles & responsibilities (ie. TOR, POI, Independence and scope), Recommendations, Achievements.	Not started	

**Goal 2: Investor relations, expectations, & communication**

**Strategy 2.1: CUFA Ambassador Program.**

Action Plans	Progress Description	Reference
2.1.1 Further develop CUFA's "Champion Program" (eg. Develop a "CUFA Ambassador Program" to leverage from the good reputation of CUFA). Specifically:	In progress Ambassadors being sought for Hall of Honour and Village Entrepreneur programs	
·Get the message right (ie. Staff/organisation v member benefit);	In progress VE: 'Help people help themselves' Hall of Honour: 'Acknowledging excellence, rewarding service'	
·Consider the best person to deliver the message (eg. senior CUBS representatives with experience, knowledge and importantly access); and	In progress VE: Popular public identity Hall of Honour: Popular credit union director identity	
·Be clear about what CUFA needs.	In progress Focus communications on core program message to achieve outcome of increased contribution & adding value to partner	

·Approach to reach CEOs, CUBS, CUBS members;	In progress Programs target specific audience to raise awareness and donation: Active: Hall of Honour (CU CEO) Active: VE (CU staff, members) Active: Challenge (CUBS staff)
·Qualify CUFA value proposition (including to CUBS and Abacus consistent with 2013 proposal); and	Not started
·Attract greater contribution from non-CUBS.	Not started

**Strategy 2.2: Policy & Procedure for “vehicle” to deliver engagement, identification of expectations, delivery mechanism, results.**

Action Plans	Progress Description
2.2.1 Develop Policy & Procedure to achieve: · Common and targeted/specific aims, outcomes;	Not started
· Options to capitalise on industry events (eg. the G9 credit unions and building societies); and,	Not started
·Positioning of CUFA for “next gen” executive management and Boards (ie. SROI from CUFA investment; Change “cost” to investment program; CEO study tours, etc)	Not started

**Goal 3: Brand**

**Strategy 3.1: Develop CUFA “core competencies”.**

Action Plans	Progress Description	Reference
3.1.1 Encourage support for use of CUFA branding.	In Progress Refresh of existing CUFA banners to be used as links from credit union sites in progress	
3.1 2 Implement steps to protect CUFA brand (eg. use, style manual, etc).	Active & Ongoing: Staff briefed about use and protection of CUFA branding assets. Active & Ongoing: Staff briefed on use of CUFA style guide when project material is developed In Progress: monitoring use of branding by external parties	
3.1 3 Determine “the CUFA message” or “What CUFA stands for?” Board view and endorsement (guiding principles and value).	Not started	

## Goal 4. Governance (eg. Role of the CUFA board, accountability, skills, renewal)

### Strategy 4.1: Develop “good” governance policy and procedure (P&P) for CUFA.

Action Plans	Progress Description
4.1.1 Consider possible structures for CUFA Board accountability (eg. to CUBS investors, Board & Mgt, etc).	Not started
4.1.2 Further develop CUFA P&P - specifically with respect to clarification of Board actions, communications, etc regarding ownership by CUBS v independence, appointment of Directors to CUFA, etc.	Review of existing P & P not started

### Strategy 4.2: Development and implementation of a clear CUFA Board position regarding “independence”.

Action Plans	Progress Description
4.2.1 Clarify CUFA ASIC statutory definition.	Not started
4.2.2 Clarify balance between CUFA independence and stakeholder interests (eg. CUFA governance structure – refer also 4.1.1; CUBS relationship building – refer 2.1.1).	Not started

### Strategy 4.3: Develop CUFA “core competencies”.

Action Plans	Progress Description
4.3.1 Definitions, Board self assessment, action plans, etc.	Review of existing P & P not started
4.3.2 P&P for renewal, strategic planning process.	Review of existing P & P not started
4.3.3 Professional Board development requirements.	Review of existing P & P not started

## GRI G3 Indicator Performance

Key: FR = Fully Reported, PR = Partially Reported, NR = Not Reported, N/A = Not Applicable

Indicator	Statement	Indicator Summary	Reference
<b>Strategy and Analysis</b>			
1.1 FR	Statement from the most senior decision maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation.	See Chair Statement.	Page 05
1.2 FR	Description of key impacts, risks, and opportunities.	See Chair Statement.	Page 05
<b>Organisational Profile</b>			
2.1 FR	Name of the organisation.	Credit Union Foundation Australia.	
2.2 FR	Primary brands, products and/or services.	No brands or trademarked services as such.  <b>Domestic Initiatives</b> Education, Engagement, Professional Development. <b>Overseas</b> The focus of in country development programs is training, education and skills transfer: aimed at achieving sustainable financial growth and social development.	Page 17
2.3 FR	Outline the operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	CUFA has a governing board consisting of six directors. The Executive Officer is responsible for the management of the organisation and project oversight, with staff and volunteers developing, implementing, monitoring and evaluating programs.	Page 33
2.4 FR	Location of organisation's headquarters.	Level 1 - 1 Margaret Street - Sydney NSW 2000 - Australia.	N/A
2.5 FR	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Five countries - Australia, Cambodia, Fiji, Solomon Islands, and Timor Leste are relevant to include and discuss in this report.	N/A

Indicator	Statement	Indicator Summary	Reference
2.6 FR	Nature of ownership and legal form.	During the reporting period, CUFA was a wholly owned subsidiary of Abacus - Australian Mutuals, and is an Australian Proprietary Company, Limited By Shares.	Page 10
2.7 FR	Markets served.	CUFA's market: developing financial sustainability of financial cooperatives encompasses the credit unions, institutions and the communities we assist, geographically in Australia, South East Asia and the Pacific.	N/A
2.8 FR	Scale of the reporting organisation.	Full Time Equivalents: 30.41. Headquartered in Sydney Australia. Operations in Australia, Cambodia, Fiji, the Solomon Islands and Timor Leste. See EC1 for economic scale.	N/A
2.9 FR	Significant changes during the reporting period regarding size, structure, or ownership.	No significant changes that affect this report.	N/A
2.10 FR	Awards received in the reporting period.	No awards received.	N/A

### Report Profile

3.1 FR	Reporting period (e.g., fiscal/calendar year) for information provided.	Financial year from July 1 2010 to June 30 2011	N/A
3.2 FR	Date of most recent previous report (if any).	Financial year from July 1 2009 to June 30 2010	N/A
3.3 FR	Reporting cycle (annual, biennial, etc).	Annually, per financial year. CUFA is committed to publishing annual sustainability reporting within 3-4 months of year-end.	N/A
3.4 FR	Contact point for questions regarding the report or its contents.	Philip Lambert: Project Officer Email: philip.lambert@cufa.org.au Phone: (02) 8299 9031 www.cufa.com.au	N/A
3.5 FR	Process for defining report content.	CUFA has decided to report to each indicator that directly applies to our organisation, or is material to it.	N/A

Indicator	Statement	Indicator Summary	Reference
3.6 FR	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	CUFA has no subsidiaries or divisions. Development partners involved in major project delivery are not reported in detail. Each country involved in our development projects has been included in this report.	N/A
3.7 FR	State any specific limitations on the scope or boundary of the report.	All aspects of reporting that directly apply to CUFA have been addressed.	N/A
3.8 FR	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	CUFA does not have any joint ventures or partially owned subsidiaries.	N/A
3.9 FR	Data measurement techniques and the bases of calculations.	When access to source documentation has not been possible, reasonable estimates are made where absence of data would impact the value of an indicator being addressed, especially in regards to environmental reporting.	N/A
3.10 FR	Explanation of the effect of any re-statements of information provided in earlier reports.	No re-statements have been issued.	N/A
50 3.11 FR	Significant changes from previous reporting periods.	No change to the previous reporting period basis of annual, financial year.	N/A
3.12 FR	Table identifying the location of the Standard Disclosures in the report.	See beginning of this section.	N/A
3.13 FR	Policy and current practice with regard to seeking external assurance for the report.	Critical assessment of all data has been undertaken and all our employees have reviewed the information provided. A stated objective of last year's report was that CUFA would apply independent assurance to future reporting, however CUFA seeks to incrementally increase standards and significantly increase operational scope before assurance is applied.	N/A
<b>Governance</b>			
4.1 FR	Governance structure of the organisation.	Board decisions are limited by the guidelines set out by the trust deed establishing CUFA, and its constitution.	N/A
4.2 FR	Indicate whether the Chair of the highest governance body is also an executive officer.	The Chair of the CUFA Board is independent and is not a CUFA executive.	N/A

Indicator	Statement	Indicator Summary	Reference
4.3 FR	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	5 of the 6 board members are independent and all are non-CUFA executive members. CUFA board composition was: 1 Abacus Director and 5 independent board members - comprising of representatives from the credit union sector.	Page 20
4.4 FR	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Abacus is CUFA's only shareholder and provides formal feedback to the board and EO through their representatives on the board. At board meetings there is free and open discussion where CUFA employees may provide agenda items, and present to the board.	Page 10
4.5 FR	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including	<p>Board members are voluntary and are not remunerated. CUFA employee salaries are partly dependant on their performance. Executive compensation is also based on a risk reward evaluation. The key deliverables are financial, customers, operational/projects and staff.</p> <p>Performance appraisal is linked to our employees' annual bonus and to the salary review process through the award of ratings. Together with a view to market relativity and Abacus – Australian Mutuals's budget capacity, this rating influences the manager's recommendation regarding a salary increase.</p>	Page 34
4.6 FR	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Abacus – Australian Mutuals is the sole shareholder in CUFA.	N/A
4.7 FR	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	<p>The CUFA Executive Officer provides information for the required experience, skills and attributes CUFA needs according to planned programs. Abacus – Australian Mutuals' board then selects CUFA's board from the list of applicants upon that basis.</p> <p>Abacus – Australian Mutuals' board selects the members of CUFA's board from a list of applicants, provided by CUFA's EO, who possess the required experience, skills and attributes to satisfy the needs of CUFA's programs.</p>	Page 34
4.8 FR	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	<p>Statements of mission or values:</p> <p>Formal integration of related policy and procedure has been in place since April 2008</p>	Page 10

Indicator	Statement	Indicator Summary	Reference
4.9 NR	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	The CUFA Board meets six times each year, during which compliance and performance are analysed, and recommendations provided to management.	Page 20
4.10 PR	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	The CUFA Board is overseen by Abacus – Australian Mutuals' Board, and Cuscal's People Management division, under service agreement, administers performance and evaluation practice relating to CUFA Board members.	Page 20
<b>Commitments To External Initiatives</b>			
4.11 PR	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	CUFA has not explicitly applied the precautionary principle in any policies, However before commencing any project CUFA undertakes thorough risk assessment, and undertakes on-going assessment during project delivery that considers short, medium and long-term impacts.	N/A
4.12 FR	Externally developed economic charter to which the organisation subscribes or endorses.	<ul style="list-style-type: none"> <li>- ACFID's Code of Conduct for international development</li> <li>- Australian Credit Union Movement values</li> <li>- International Credit Union Operating Principles</li> <li>- Accounting Standards Australia</li> </ul>	Page 20
4.13 FR	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: <ul style="list-style-type: none"> <li>- Has positions in governance bodies;</li> <li>- Participates in projects or committees;</li> <li>- Provides substantive funding beyond routine membership dues; or</li> <li>- Views membership as strategic.</li> </ul>	<ul style="list-style-type: none"> <li>- Australian Council for International Development (ACFID)</li> <li>- Member of the committee of the Australian Microfinance Network</li> </ul>	Page 28
<b>Stakeholder Engagement</b>			
4.14 FR	List of stakeholder groups engaged by the organisation.	Our primary stakeholders: <ul style="list-style-type: none"> <li>- International recipient individuals and communities</li> <li>- Australian recipient individuals and communities</li> </ul>	Pages 23 to 40

Indicator	Statement	Indicator Summary	Reference
		<ul style="list-style-type: none"> <li>- Contributors</li> <li>- Funding partners</li> <li>- Development Partners</li> <li>- Regulatory and Governance Bodies</li> <li>- Staff</li> <li>- The Environment</li> </ul>	
4.15 FR	Basis for identification and selection of stakeholders with whom to engage.	CUFA engages with various stakeholders based on the significance of their relationship to CUFA's goals, mission and philosophy.	Page 20
4.16 FR	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	CUFA conducts stakeholder consultation through formal and informal discussions with project stakeholders, and by providing specific programs to meet their information and experience needs.	Page 20
4.17 FR	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	<p>One key area of concern was:</p> <p>A need for greater activity in Australia</p> <ul style="list-style-type: none"> <li>- CUFA to advocate for credit unions in Australia to increase their domestic involvement.</li> <li>- CUFA initiated The Hall of Honour recognition program.</li> </ul>	N/A
NGO1	Affected Stakeholder Engagement Processes for involvement of affected stakeholder groups in the design, implementation, monitoring and evaluation of policies and programs	Program partners are involved in policy and program design; program recipients are directly involved in program evaluations; program recipients and broader communities are also involved in poverty alleviation measurement.	Page 21
NGO3	Monitoring , Evaluation and Learning System for program monitoring, evaluation and learning, (including measuring program effectiveness and impact), resulting in changes to programs, and how they are communicated.	<p>Program partners are involved in program design and program recipients are directly involved in program evaluations. All development programs undergo bi-annual monitoring and annual evaluation, conducted by CUFA or impartial professional volunteers.</p> <p>Outcomes feed-back directly into revised project plans, and flow through quickly into delivery planning and logistics, and staff training. Change is communicated to contributors and project investors directly and in broadcasts.</p> <p>An independent International Development Working Group acted independently to the board, as a committee to provide impartial recommendations and advise to the CUFA executive and project manager, who then reports to the board and core CUFA staff.</p>	<p>Page 27</p> <p>Page 20</p>

Indicator	Statement	Indicator Summary	Reference
NGO4	Gender and Diversity Measures to integrate gender and diversity into program design, implementation, and the monitoring, evaluation, and learning cycle	The international credit union system has a set of Operating Principles, one of which is non-discrimination on the grounds of gender. CUFA and its partners follow this operating principle in all program and project activities, and design is invariably based on equal opportunity and access for men and women to participate in training and exposure.	Page 13, 21
NGO8	Ethical Fundraising Sources of funding by category and five largest donors and monetary value of their contribution	<p>CUFA receives funding through grants, contribution, sponsorship and in-kind support. CUFA solicits support - and willingly accepts contribution - from those aligned to or associated with cooperative principles - being a natural fit with their intrinsic or strategic motivations and goals.</p> <p>We do not engage in hard-sell or misleading tactics to attract contributors; and also ensure that the contributor is informed of the intended purpose and use of funds prior to contributing, unless they specify that CUFA can use the funds for purposes it decides.</p> <p>CUFA provides recognition of all supporters as appropriate, and necessary disclosure of significant contributor detail as required by law and code of conduct. We respect contributor privacy to not be recognised when specifically requested.</p> <p>We do not engage with those known to be contrary to cooperatives principles, or where our code of conduct could be compromised, for example with known terrorist groups and organisations.</p>	Page 22
<b>EC I Economic Performance Indicators</b>			
EC1 FR	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	<p>Revenues:</p> <p>For the last financial year CUFA net revenue was -</p> <p>Trust Fund - AU \$451,250</p> <p>International Project Fund (IPF) - AU \$1,483,593</p> <p>Abacus - Australian Mutuals pays for CUFA's wages and office related overheads, including floor space, equipment, materials and utilities.</p>	Page 22, 61
EC2 FR	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	See Environment.	Page 37

Indicator	Statement	Indicator Summary	Reference
EC3 FR	Coverage of the organisation's defined benefit plan obligations.	Superannuation is compulsory in Australia and CUFA's benefit plan adheres to federal government requirements. Our superannuation obligations are handled by Cuscal and adhere to their company policy, in respect to federal law.	N/A
EC4 FR	Significant financial assistance received from government.	CUFA received AUD \$425,858.00 from AusAID, the Australian Federal Government's overseas development body.	N/A
EC6 PR	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	In our Sydney office, Abacus handles the majority of purchasing decisions. <b>Domestic projects</b> - CUFA makes purchasing decisions. We employ the services of locally based suppliers and contractors to assist in project supplies. <b>Overseas projects</b> - CUFA makes purchasing decisions. Our policy is to employ locally based suppliers, labour and materials.	N/A
EC7 PR	PProcedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	In Australia, CUFA's recruitment policy adheres to EEO principles and we aim to create a socially diverse and gender balanced workplace. Experienced CUFA personnel conduct recruitment processes for in-country projects. Where credit union management experience is needed, Australian practitioners are sought. The long-term goal is for these practitioners to train local personnel to take over the position in the future. Where local cultural experience is essential to projects, local personnel are recruited.	N/A
EC9 FR	Understanding and describing significant indirect economic impacts, including the extent of impacts.	CUFA supports the development of 'grass roots' entities and community based financial institutions that assist the wider community. CUFA's long-term goal is to help these organisations achieve financial stability, thus removing the need for our direct input. When sustainability is achieved the indirect economic impacts will be positive and sustainable.	Page 23, 24

## EN | Environment

EN4 PR	Indirect energy consumption by primary source.	Our indirect energy consumption is primarily electricity. 1. The total electricity energy purchased was estimated at 50,956 kWh.	Page 40
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Indicator	Statement	Indicator Summary	Reference
		2. Renewable energy - 10% of electricity sourced from Energy Australia (NSW) was renewable.	
EN16 NR	Total direct and indirect greenhouse gas emissions by weight.	See EN17. CUFA does not produce direct GHG emissions, as this indicator applies directly to producers of energy, processes associated with it and its distribution.	N/A
EN17 FR	Other relevant indirect greenhouse gas emissions by weight.	GHG emissions – The environmental impact and footprint of CUFA: 1. Air and land travel 117,113 kg 2. Landfill waste 1822 Kg 3. Electricity 50,956 Kg (travel measured in Kgs of CO2 emissions, related to EN29)	Page 40
EN18 PR	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Our most significant use of indirect energy is air travel. Road travel, electricity use, staff commuting, and landfill waste are also contributing factors.  Given that we now are directly involved in project delivery and have an increasing domestic engagement with greater contact with stakeholders, GHG emissions from air and road travel will increase.  See Environment for detailed discussion of initiatives.	Page 37
EN30 FR	Total environmental protection expenditures and investments by type.	CUFA has yet to offset emissions directly attributable to CUFA, of 169,891 kg.	Page 39
<b>LA   Labour Practices and Decent Work</b>			
LA1 FR	Total workforce by employment type, employment contract, and region.	See page 40 for specific FTE equivalence	Page 34
LA2 PR	Total number and rate of employee turnover by age group, gender, and region.	CUFA has experience net employment growth.	Page 35
LA3 FR	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not Applicable. Pro-rate benefits apply to non-full-time employees.	N/A
LA4 FR	Percentage of employees covered by collective bargaining agreements.	None. We have a policy stating our employees' right to independently choose to be represented by trade unions.	N/A
LA5 PR	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	CUFA does not have any written procedure on advising employees about changes in CUFA organisational operations.	N/A

Indicator	Statement	Indicator Summary	Reference
		All staff members are kept fully informed of planned and potential changes at weekly meetings, the appraisal process and at the yearly business planning sessions.	
LA6 FR	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	No CUFA employees are involved directly, however due to our relationship with Abacus and Cuscal, our worker health and safety committee representatives actively engage with CUFA.	Page 33
LA7 FR	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	CUFA had only minimal days lost from non work-related sick leave. Fortunately, no loss was incurred from work related injury, death or other incidents.	Page 33
LA8 FR	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Abacus offers comprehensive support and counselling to staff and their family in Australia should the need arise. CUFA also incorporates personal safety, hygiene and disease prevention awareness measures into its development programs as appropriate. The ownership change to Abacus will see similar but different arrangements in place.	Page 33
LA10 PR	Average hours of training per year per employee-by-employee category	All full time and part time staff members are involved in approx. 12 hours of training, with options of additional training depending on need and availability. CUFA provides direct training to in-country personnel. Typically all new in-country staff with project level responsibilities are brought to Australia to become familiar with and trained in CUFA policy and procedure for 5 days training.	Page 33
LA11 FR	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Abacus programs are not yet confirmed	N/A
LA12 FR	Percentage of employees receiving regular performance and career development reviews.	100% - conducted twice each year	N/A
LA13 FR	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	<b>Board:</b> Gender Ratio Male : Female - 3 : 3 <b>Employees</b> Gender Ratio Male : Female - 33 : 10 <b>Origin/Nationalities:</b> Australia, Cambodia, Fiji, Solomon Islands, Timor Leste	Page 34

Indicator	Statement	Indicator Summary	Reference
LA14 NR	Ratio of basic salary of men to women by employee category.	Insufficient data available due to lack of comparable salaried positions.	N/A
<b>HR I Human Rights</b>			
HR1 NA	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	CUFA does not engage in significant investment activities or projects that this indicator seeks to address.	N/A
HR2 FR	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	<p>As a small organisation CUFA does not conduct any formal supplier screening on human rights.</p> <p>However, CUFA will advocate for Abacus including such considerations in their investment and procurement decisions. CUFA's employs Australian staff for International projects and where CUFA works with International development partners their human rights values must align with those of CUFA.</p> <p>CUFA has not set in place a risk and monitoring policy for reporting performance within its supply chain.</p>	N/A
HR3 PR	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Although no formal human rights training is conducted in a measurable way all new staff are trained in human rights awareness during orientation and project briefing.	N/A
HR4 FR	Total number of incidents of discrimination and actions taken.	None.	N/A
HR5 FR	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	No operations are exposed to these risks.	N/A
HR6 FR	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	No operations are exposed to these risks. CUFA abides by all legal requirements and has never used child labour.	N/A
HR7 FR	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	No operations are exposed to these risks.	N/A

Indicator	Statement	Indicator Summary	Reference
HR8 PR	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	There were three (3) security officers employed by CUFA during the reporting period, at our training centres in Phnom Penh Cambodia (1) and Dili Timor Leste (2). These officers did not receive such training during 2010-11.	N/A
HR9 FR	Total number of incidents of violations involving rights of indigenous people and actions taken.	There have been no violations involving rights of indigenous people in CUFA's areas of operation.	N/A
<b>SO I Society</b>			
SO1 FR	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Each undertaking is subject to various assessment stages, entry, operation and exit plans, which minimise risk to both CUFA and the recipient communities.	Page 24
SO2 FR	Percentage and total number of business units analysed for risks related to corruption.	CUFA is the only business unit. None of the domestic or international projects have been found to be involved in bribery and corruption.	N/A
SO3 FR	Percentage of employees trained in organisation's anti-corruption policies and procedures.	100% of Domestic and International Project Officers have guidelines to identify and report situations of perceived or actual corrupt practice, and act on advice provided by senior managers.	N/A
SO4 FR	Actions taken in response to incidents of corruption	No corruption has occurred or been reported/identified.	N/A
SO5 PR	Public policy positions and participation in public policy development and lobbying.	CUFA will engage in political advocacy if it is closely aligned with CUFA's mission and vision.	N/A
SO6 FR	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	No contributions were made to any political entity.	N/A
SO7 PR	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and outcomes.	None.	N/A
SO8 PR	Monetary value of significant fines, total number of sanctions for non-compliance with laws and regulations.	None.	N/A

Indicator	Statement	Indicator Summary	Reference
<b>PR I Product Responsibility</b>			
PR2 PR	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not Applicable: CUFA was 100% compliant in the area of health and safety for services provided.	N/A
PR3 PR	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Written documentation of CUFA's project plans and monitoring visits are available for download through our website. It is CUFA's policy to provide public access to these reports to ensure transparency and provide stakeholder assurance.	N/A
PR4 PR	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	CUFA was not involved in any projects that legally require product and service labelling.	N/A
PR5 PR	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	CUFA does not formally survey customers, as we do not have customers in the sense the indicator refers to. Our communications with stakeholders identify issues of satisfaction and concern and our engagement strategies and methods address any issues that have arisen.	N/A
PR6 PR	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	CUFA uses non-discriminatory language in our written and oral communication and only engages in ethical marketing (fundraising) campaigns.	N/A
PR7 PR	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by types of outcomes, sponsorship by type of outcomes.	CUFA uses non-discriminatory language in our written and oral communication and only engages in ethical marketing (fundraising) campaigns.	N/A
PR8 PR	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	CUFA has had no complaints in this area.	N/A
PR9 PR	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	CUFA has not incurred any fines.	N/A

## **CUFA Annual Financial Reports**

- International Projects Fund
- Trust Fund
- Relief Fund

Each financial report can also be downloaded at: [www.cufa.com.au/go/reporting](http://www.cufa.com.au/go/reporting)

**Credit Union Foundation Australia Grahame Mehrstens International Projects  
Fund**

**ANNUAL FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

**Credit Union Foundation Australia Grahame Mehrstens International Projects  
Fund**

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## **Credit Union Foundation Australia Grahame Mehrstens International Projects Fund**

### **Information on Trustee**

Credit Union Foundation Australia Pty Limited is the Trustee of the Credit Union Foundation Australia Grahame Mehrstens 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.

### **Current Directors**

**Brian Bennett** Dip Comm, CPA, FAMI, AIMM

Appointed 7 December 2010

**Experience:**

Chief Executive Officer Encompass Credit Union since 2005

31 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

**Experience:**

General Manager Development bankmecu

18 years senior management experience in mutual banking

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Nil

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

Appointed 1 November 2008

**Experience:**

Former Ernst & Young Tax and Business Advisory Partner

**Directorships in Other Entities:**

Credit Union Australia Ltd

CPA Australia Ltd

Superior Coal Ltd

Lexon Insurance Pte Ltd

SPYRUS Pty Ltd

Virgin Blue Aircraft Leasing Subsidiaries

Co-op Research Centre for Infrastructure Engineering Asset Management

**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

Queensland Honorary Consul for Botswana.

## **Credit Union Foundation Australia Grahame Mehrstens International Projects Fund**

### **Information on Trustee (continued)**

**Louise Margaret Petschler** BA (Hons), MAICUD

Appointed 20 February 2008

**Experience:**

Chief Executive Officer, Abacus-Australian Mutuals Limited

15 years experience in government and public relations

10 years experience in finance industry

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Management Committee, Consumer Credit Legal Centre

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

Appointed 14 September 2010

**Experience:**

Chief Executive Officer, Summerland Credit Union

**Directorships in Other Entities:**

Director Abacus Australian Mutuals Limited

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

Deputy Chair of Finance Committee.

Director, Southern Cross University Foundation

Director, Asia Pacific Football Institute Operations

**Other Declared Interests:**

Member, Federal Government Advisory Panel on Standards and Ethics for Financial Advisers

**Therese Lyn Turner** MBA, Adv Diploma Accounting, MAMI

Appointed 7 December 2010

**Experience:**

Chief Executive Officer, Quay Credit Union Ltd

25 years experience in financial services industry

**Directorships in Other Entities:**

Director, Quay Credit Union

**Other Declared Interests:**

Nil

### **Retiring Directors – Held office during the financial year**

**John William Baistow** BA, Dip Bus Stud, Dip CD, FAICD, MBA (Tech Mgt) FAMI

Appointed 7 December 2006

Retired 7 December 2010

**Experience:**

Retired Senior Executive, CSIRO

22 years as a credit union director, 7 years as chairman

**Special Responsibilities:**

Chairman, Credit Union Foundation Australia Pty Ltd, until retirement

**Directorships in Other Entities:**

Cuscal Limited

mecu Limited

**Other Declared Interests:**

Nil

## **Credit Union Foundation Australia Grahame Mehrtens International Projects Fund**

### **Information on Trustee (continued)**

**Kenneth Mutton** Dip BA, Dip Fin. Services, FAMI

Appointed 16 December 2009

Retired 5 April 2011

**Experience:**

Chief Executive, Swan Hill Credit Union Ltd

Chairman, Victorian Insight Committee

34 years experience in finance industry

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Nil

**John Richard Paine** Dip. Fin. Services AMI, MAIM, JP

Appointed 1 November 2006

Retired 1 November 2010

**Experience:**

General Manager, Family First Credit Union Ltd

39 years experience in finance industry

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Nil

**Kathryn Anne Skipper** AM, FAICD, FAIM

Appointed 18 February 2009

Resigned 6 July 2010

**Experience:**

Consultant in corporate governance and board dynamics; executive coach and mentor for executives and directors.

Extensive background in governance and sustainability; awarded an Australia Medal in the Order of Australia Awards for service to children and adults with disabilities in Australia.

**Directorships in Other Entities:**

Director – People's Choice Credit Union

Deputy Chair – South Australian Tourism Commission

Chair – Plan International – Australia

Chair –Royal District Nursing Service

Director – Aboriginal Foundation SA

**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 2011, 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 2011.

### 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 (including the Australian Accounting Interpretations). 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 2011 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 2011; and
- (d) Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2011, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.

BDO

**BDO Audit (NSW-VIC) Pty Ltd**

**Neville Sinclair**  
Director

Sydney, 19<sup>th</sup> October 2011

**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 Mehrrens International Projects Fund**

**Trustee's Declaration**

The financial report on pages 8 to 24 for the financial year ended 30 June 2011 has been prepared as required by the Trust Deed.

The auditor of the Fund, BDO Audit (NSW-Vic) Pty Limited, 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



Therese Turner

Director



Louise Petschler

Director

Sydney, 18<sup>th</sup> October 2011

**Credit Union Foundation Australia Grahame Mehrtens International Projects Fund**

**Statement of Comprehensive Income**

**For the financial year ended 30 June 2011**

	Notes	2011 \$	2010 \$
<b>REVENUE</b>			
<b>Monetary and Non-Monetary</b>			
Donations and Gifts	3	<b>725,767</b>	628,566
<b>Grants</b>			
AusAID	3	<b>425,858</b>	373,743
Other Australian	3	-	-
Other Overseas	3	-	-
<b>Investment Income</b>		<b>40,263</b>	29,716
<b>Other Income</b>			
Other Project Services (Non-Monetary)	4	<b>291,705</b>	283,656
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>		<b><u>1,483,593</u></b>	<u>1,315,681</u>
<b>EXPENSES</b>			
<b>Overseas Projects</b>			
Funds to Overseas projects	5	<b>973,396</b>	691,261
Fundraising Costs-Public		<b>35,164</b>	7,990
Accountability and Administration	6	<b>2,000</b>	14,052
Other Project Services (Non-Monetary)	4	<b>291,705</b>	283,656
<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES</b>		<b><u>1,302,265</u></b>	<u>996,959</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM CONTINUING OPERATIONS</b>		<b><u>181,328</u></b>	<u>318,722</u>
<b>Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>181,328</u></b>	<u>318,722</u>

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

Over the course of both the 2011 and 2010 financial years, the Fund had no transactions in respect of:

- Legacies and Bequests;
- Community Education;
- Program Support;
- Domestic Projects;
- Government, Multi-lateral and Private Fundraising; and
- Evangelistic, Political, or Religious Proselytisation programs.

## Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

### Balance Sheet

As at 30 June 2011

	Notes	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	<b>964,041</b>	610,521
Other receivables	7	<b>207,275</b>	456,647
<b>Total Assets</b>		<b><u>1,171,316</u></b>	<u>1,067,168</u>
<b>Current Liabilities</b>			
Other liabilities	8	<b>65,085</b>	142,265
<b>Total Liabilities</b>		<b><u>65,085</u></b>	<u>142,265</u>
<b>Net Assets</b>		<b><u>1,106,231</u></b>	<u>924,903</u>
<b>Equity</b>			
Retained Earnings		<b>1,106,231</b>	924,903
<b>Total Equity</b>		<b><u>1,106,231</u></b>	<u>924,903</u>

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

#### **Current and Non-Current Assets:**

At the end of both the 2011 and 2010 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 2011 and 2010 financial years, there were no Non-Current Assets.

#### **Current and Non-Current Liabilities:**

At the end of both the 2011 and 2010 financial years, with respect to Current Liabilities the Fund had no balances in respect of borrowings, tax liabilities, provisions, or other financial liabilities.

In both the 2011 and 2010 financial years, there were no Non-Current Liabilities.

#### **Reserves**

The Fund does not maintain Reserves.

**Credit Union Foundation Australia Grahame Mehrtens International Projects Fund**

**Statement of Changes in Equity**

**As at 30 June 2011**

**Statement of Changes in Equity**

	<b>Retained Earnings \$</b>	<b>Total \$</b>
<b>2011</b>		
Balance as at 1 July 2010	<b>924,903</b>	<b>924,903</b>
Excess of revenue over expenses for the year	<b>181,328</b>	<b>181,328</b>
Balance as at 30 June 2011	<b><u>1,106,231</u></b>	<b><u>1,106,231</u></b>
<b>2010</b>		
Balance as at 1 July 2009	606,181	606,181
Excess of revenue over expenses for the year	318,722	318,722
Balance as at 30 June 2010	<b><u>924,903</u></b>	<b><u>924,903</u></b>

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 2011**

	Notes	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Donations received		<b>335,746</b>	373,306
AusAID grants received		<b>424,497</b>	328,048
Funds raised for specific initiatives		<b>355,622</b>	284,628
Interest received		<b>40,263</b>	29,716
Sundry income		<b>2,454</b>	-
Fundraising expenses		<b>(37,179)</b>	(7,991)
Auditor's Remuneration		<b>(2,625)</b>	(2,500)
Expenditure on AusAID projects		<b>(315,077)</b>	(838,793)
Expenditure on other projects		<b>(450,181)</b>	(238,853)
Sundry expense		-	(3,511)
<b>Net cash provided by (used in) operating activities</b>	9 (b) & 10	<b>353,520</b>	<b>(75,950)</b>
<b>Cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>353,520</b>	<b>(75,950)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>610,521</b>	686,471
<b>Cash and cash equivalents at the end of the financial year</b>	9 (a)	<b>964,041</b>	610,521

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 2011**

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## Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

### Notes to the Financial Statements For the financial year ended 30 June 2011

#### 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.

- AASB 2009-5 '*Amendments to Australian Accounting Standards*'. Amendments made to AASB 107 dealing with expenditure items in the Statement of Cash Flows.

Adoption of this amended standard did not have a significant 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 2010-5 ' <i>Amendments to Australian Accounting Standards</i> '	1 January 2011	30 June 2012
AASB 2010-4 ' <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> '. Amendments arising from AASB 101 ' <i>Presentation of Financial Statements</i> ' dealing with items classified as "other comprehensive income".	1 January 2011	30 June 2012
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 124 ' <i>Related Party Disclosures</i> ' AASB 2009-12 ' <i>Amendments to Australian accounting Disclosures</i> '. These requirements clarify the definition of a related party and include an implicit requirement to disclose commitments involving related parties.	1 January 2011	30 June 2012

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 2011. The Trustee anticipates the adoption of these standards will have no material financial impact on the future periods for the Fund.

# **Credit Union Foundation Australia Grahame Mehrtens International Projects Fund**

## **Notes to the Financial Statements For the financial year ended 30 June 2011**

### **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 18<sup>th</sup> October 2011.

#### **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 judgements. 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 Mehrrens International Projects Fund**

### **Notes to the Financial Statements For the financial year ended 30 June 2011**

#### **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 2011**

#### **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 2011**

	2011 \$	2010 \$
<b>3. Non-interest revenue from ordinary activities</b>		
<b>Donations and gifts- Monetary</b>		
Sri Lanka Reconstruction Project-Cuscal Limited	-	500
Other Australian Donations	<b>333,346</b>	375,707
Children's Financial Literacy-Cambodia	<b>25,301</b>	27,871
Participation Fees-Cambodia Leadership Challenge	<b>54,200</b>	26,600
Participation Fees Pacific Credit Union Technical Congress	<b>90,510</b>	54,769
Leadership-Pacific	<b>41,494</b>	523
Pakistan Flood Relief	<b>53,232</b>	-
Grow and Sustain Program	-	95,686
Village Entrepreneur Program	<b>45,314</b>	30,678
Haiti Appeal	-	11,773
Progress Out of Poverty	<b>26,190</b>	-
Fundraising-Asia	<b>9,518</b>	-
Fundraising-Pacific	<b>38,593</b>	-
Other Funds	<b>8,069</b>	4,459
Total Donations and Gifts-Monetary	<b>725,767</b>	628,566
<b>Grants</b>		
AusAID	<b>425,858</b>	373,743
Other Australian	-	-
Other Overseas	-	-
	<b>425,858</b>	373,743
Total non-interest revenue from ordinary activities	<b>1,151,625</b>	1,002,309

**Credit Union Foundation Australia Grahame Mehrstens International Projects Fund**

**Notes to the Financial Statements  
For the financial year ended 30 June 2011**

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

	<b>2011</b>	2010
	\$	\$
These are represented by:		
<u>Project Costs</u>		
Staff Payroll- Abacus Australian Mutuals Ltd	<b>137,243</b>	-
Staff payroll – Cuscal Limited	-	120,262
Volunteers	<b>46,940</b>	57,524
 <u>Administration Costs</u>		
Equipment, services and accommodation		
- Abacus Australian Mutuals Pty Ltd	<b>14,748</b>	13,870
- Cuscal Limited	<b>92,774</b>	92,000
 Total	<b>291,705</b>	283,656

Volunteers' services are recognised on the basis of time spent and represents 224 days (2010: 268 days).

**5. Funding expenses**

	<b>2011</b>	2010
	\$	\$
Funds to overseas projects		
AusAID projects	<b>582,409</b>	444,918
Sri Lanka Reconstruction Project	-	4,154
Financial Literacy Program	<b>30,139</b>	24,639
Leadership-Asia	<b>46,991</b>	24,590
Pacific Credit Union Technical Congress	<b>100,365</b>	43,517
Pakistan Flood Relief	<b>53,422</b>	-
Cambodia Building Trust	<b>23,877</b>	42,961
Pacific Leadership	<b>24,198</b>	-
India	<b>3,408</b>	1,157
Solomon Islands	-	26,142
Progress Out of Poverty	<b>3,120</b>	1,222
Grow and Sustain Program	<b>3,388</b>	14,870
Village Entrepreneur	<b>37,050</b>	18,588
Haiti Appeal	-	11,539
Pacific Credit Union Network	<b>53,677</b>	22,344
Other projects	<b>11,352</b>	10,620
Total funds to overseas projects	<b>973,396</b>	691,261

Of the total amount disclosed, there is no accrued expenditure (2010: \$48,525)

**Credit Union Foundation Australia Grahame Mehrrens International Projects Fund**

**Notes to the Financial Statements  
For the financial year ended 30 June 2011**

	<b>2011</b>	2010
	\$	\$
<b>6. Administration expenses</b>		
Audit of the financial report (i)	<b>2,000</b>	2,750
Other expenses	-	11,302
	<b>2,000</b>	14,052

(i) The auditor of the financial report for 2011 is BDO Audit (NSW-Vic) Pty Limited; for 2010 it was Deloitte Touche Tohmatsu.

**7. Other receivables**

Prepaid Project Expenses	<b>204,140</b>	450,834
Donation receivable	-	2,400
Other receivables	<b>3,135</b>	3,413
Total other receivables	<b>207,275</b>	456,647

**8. Other liabilities**

Cuscal Limited	-	35,045
Accrued staff expenses	<b>20,353</b>	19,270
Goods and Services Tax Liability	<b>42,732</b>	-
Accrued Audit Fees	<b>2,000</b>	2,625
Deferred Income	-	36,800
Project Accruals	-	48,525
Total other liabilities	<b>65,085</b>	142,265

**9. Notes to cash flow**

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

With Cuscal Limited:		
- Cash at bank	<b>12,845</b>	4,827
- Deposits at call	<b>951,196</b>	605,694
Total cash and cash equivalents	<b>964,041</b>	610,521

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

Excess of revenue over expenses for the year	<b>181,328</b>	318,722
Decrease/(Increase) in receivables	<b>249,372</b>	(431,024)
(Decrease)/Increase in payables	<b>(77,180)</b>	36,352
Net cash used in operating activities	<b>353,520</b>	(75,950)

**Credit Union Foundation Australia Grahame Mehrstens International Projects Fund**

**Notes to the Financial Statement  
For the financial year ended 30 June 2011**

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

<b>2011</b>	<b>Cash available at 30 June 2010</b>	<b>Cash raised during 2010/2011</b>	<b>Cash disbursed during 2010/2011</b>	<b>Cash available at 30 June 2011</b>
<b>Purpose</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Sri Lanka Reconstruction Project	6,006	-	(3,267)	2,739
Cambodia Children's Financial Literacy	49,872	25,301	(30,139)	45,034
Cambodia Leadership Challenge	24,079	54,200	(46,991)	31,288
Pacific Credit Union Technical Congress Conference	15,496	84,869	(100,365)	-
Kokoda Challenge Participation Fees	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
<b>Total</b>	<b>610,521</b>	<b>1,158,582</b>	<b>(805,062)</b>	<b>964,041</b>
<b>Net cash flow by designated purpose for the year (Refer Cash Flow Statement)</b>			<b>353,520</b>	

**Credit Union Foundation Australia Grahame Mehrstens International Projects Fund**

**Notes to the Financial Statement  
For the financial year ended 30 June 2011**

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

<b>2010</b>	<b>Cash available at 30 June 2009 \$</b>	<b>Cash raised during 2009/2010 \$</b>	<b>Cash disbursed during 2009/2010 \$</b>	<b>Cash available at 30 June 2010 \$</b>
<b>Purpose</b>				
Sri Lanka Reconstruction Project	9,660	500	(4,154)	6,006
Cambodia Children's Financial Literacy	46,640	27,871	(24,639)	49,872
Cambodia Leadership Challenge	5,389	36,280	(17,590)	24,079
Pacific Congress Conference	2,776	54,769	(42,049)	15,496
Kokoda Challenge Participation Fees	3,957	522	-	4,479
Cambodia Building Trust	14,306	28,655	(42,961)	-
Pacific Development	47,783	-	(16,998)	30,785
Cambodia-Building Institutional Capacity	12,571	417,212	(429,783)	-
Timor Leste	21,789	337,311	(359,100)	-
Myanmar Village Entrepreneur	7,543 -	42,367 30,678	(49,910) (18,589)	- 12,089
Other Purposes	514,057	39,534	(85,876)	467,715
<b>Total</b>	<b>686,471</b>	<b>1,015,699</b>	<b>(1,091,649)</b>	<b>610,521</b>
<b>Net cash flow by designated purpose for the year (Refer Cash Flow Statement)</b>			<b>(75,950)</b>	

**Credit Union Foundation Australia Grahame Mehrstens International Projects Fund**

**Notes to the Financial Statement  
For the financial year ended 30 June 2011**

**11. Financial instruments disclosures**

	<b>2011</b>	2010
	<b>\$</b>	\$
Carrying value:		
Cash at a Bank (at call)	<b>12,845</b>	4,827
Deposits at call	<b>951,196</b>	605,694
Total carrying value	<b>964,041</b>	610,521

**Fair value**

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

**Market Risk**

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

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

Sensitivity Impact	<b>Decrease 0.5%</b>		<b>Increase 0.5%</b>	
	<b>2011</b>	2010	<b>2011</b>	2010
	<b>\$</b>	\$	<b>\$</b>	\$
Profit or loss	<b>(4,820)</b>	(3,053)	<b>4,820</b>	3,053

**Credit risk**

Cuscal Limited is an approved deposit taking institution regulated by APRA and is rated A+ (long term) and A1+ (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 Mehrtens International Projects Fund**

**Notes to the Financial Statements  
For the financial year ended 30 June 2011**

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

**Contractual undiscounted cash flows of financial liabilities**

**2011**

	<b>At Call</b>	<b>3 Months or less</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>No Maturity Specified</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Liabilities</b>							
Other payables	-	57,252	-	-	-	7,833	65,085
<b>Total</b>	-	57,252	-	-	-	7,833	65,085

**2010**

<b>Financial Liabilities</b>							
Other payables	-	142,265	-	-	-	-	142,265
<b>Total</b>	-	142,265	-	-	-	-	142,265

**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 2011**

**12. Related party disclosures**

**(a) Directors**

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

J.W Baistow (Retired 7 December 2010)  
B. Bennett (Appointed 7 December 2010)  
R.B Dowland (Appointed 7 December 2010)  
P.G Dowling  
K.E Mutton (Retired 5 April 2011)  
J.R Paine (Retired 1 November 2010)  
L.M Petschler  
K.A Skipper (Resigned 6 July 2010)  
M.Sweeny (Appointed 14 September 2010)  
T.L Turner (Appointed 7 December 2010)

The compensation of the specified directors was nil (2010: 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

**Credit Union Foundation Australia Trust Fund**

**ANNUAL FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

## Credit Union Foundation Australia Trust Fund

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

### **Information on Trustee**

Credit Union Foundation Australia Pty Limited is the Trustee of the 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 Mehrtens 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:

### **Current Directors**

**Brian Bennett** Dip Comm, CPA, FAMI, AIMM

Appointed 7 December 2010

**Experience:**

Chief Executive Officer Encompass Credit Union since 2005

31 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

**Experience:**

General Manager Development bankmecu

18 years senior management experience in mutual banking

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Nil

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

Appointed 1 November 2008

**Experience:**

Former Ernst & Young Tax and Business Advisory Partner

**Directorships in Other Entities:**

Credit Union Australia Ltd

CPA Australia Ltd

Superior Coal Ltd

Lexon Insurance Pte Ltd

SPYRUS Pty Ltd

Virgin Blue Aircraft Leasing Subsidiaries

Co-op Research Centre for Infrastructure Engineering Asset Management

**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

Queensland Honorary Consul for Botswana.

## Credit Union Foundation Australia Trust Fund

### Information on Trustee (continued)

**Louise Margaret Petschler** BA (Hons), MAICUD

Appointed 20 February 2008

**Experience:**

Chief Executive Officer, Abacus-Australian Mutuals Limited

15 years experience in government and public relations

10 years experience in finance industry

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Management Committee, Consumer Credit Legal Centre

**Margot Sweeny** B Bus, MEc, CPA, ACS, SA Fin, FAMI, JP (Chair)

Appointed 14 September 2010

**Experience:**

Chief Executive Officer, Summerland Credit Union

**Directorships in Other Entities:**

Director Abacus Australian Mutuals Limited

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

Deputy Chair of Finance Committee.

Director, Southern Cross University Foundation

Director, Asia Pacific Football Institute Operations

**Other Declared Interests:**

Member, Federal Government Advisory Panel on Standards and Ethics for Financial Advisers

**Therese Lyn Turner** MBA, Adv Diploma Accounting, MAMI

Appointed 7 December 2010

**Experience:**

Chief Executive Officer, Quay Credit Union Ltd

25 years experience in financial services industry

**Directorships in Other Entities:**

Director, Quay Credit Union Ltd

**Other Declared Interests:**

Nil

### Retiring Directors – Held office during the financial year

**John William Baistow** BA, Dip Bus Stud, Dip CD, FAICD, MBA (Tech Mgt) FAMI

Appointed 7 December 2006

Retired 7 December 2010

**Experience:**

Retired Senior Executive, CSIRO

22 years as a credit union director, 7 years as chairman

**Special Responsibilities:**

Chairman, Credit Union Foundation Australia Pty Ltd, until retirement

**Directorships in Other Entities:**

Cuscal Limited

mecu Limited

**Other Declared Interests:**

Nil

## Credit Union Foundation Australia Trust Fund

### Information on Trustee (continued)

**Kenneth Mutton** Dip BA, Dip Fin. Services, FAMI

Appointed 16 December 2009

Retired 5 April 2011

**Experience:**

Chief Executive, Swan Hill Credit Union Ltd

Chairman, Victorian Insight Committee

34 years experience in finance industry

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Nil

**John Richard Paine** Dip Fin. Services AMI, MAIM, JP

Appointed 1 November 2006

Retired 1 November 2010

**Experience:**

General Manager, Family First Credit Union Ltd

39 years experience in finance industry

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Nil

**Kathryn Anne Skipper** AM, FAICD, FAIM

Appointed 18 February 2009

Resigned 6 July 2010

**Experience:**

Consultant in corporate governance and board dynamics; executive coach and mentor for executives and directors.

Extensive background in governance and sustainability; awarded an Australia Medal in the Order of Australia Awards for service to children and adults with disabilities in Australia.

**Directorships in Other Entities:**

Director – People's Choice Credit Union

Deputy Chair – South Australian Tourism Commission

Chair – Plan International – Australia

Chair –Royal District Nursing Service

Director – Aboriginal Foundation SA

**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 2011, 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 2011.

### 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 (including the Australian Accounting Interpretations). 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 2011 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 2011; and
- (d) Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2011, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.

**BDO Audit (NSW-VIC) Pty Ltd**

**Neville Sinclair**  
Director

Sydney, 19<sup>th</sup> October 2011

## APPENDIX A: WESTERN AUSTRALIA CHARITABLE COLLECTIONS REGULATION 1947

### Significant Control Requirements

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

#### Financial Management

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

#### Fundraising

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

## Credit Union Foundation Australia Trust Fund

### Trustee's Declaration

The financial report on pages 8 to 19 for the financial year ended 30 June 2011 has been prepared as required by the Trust Deed.

The auditor of the Fund, BDO Audit (NSW-Vic) Pty Limited, 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:

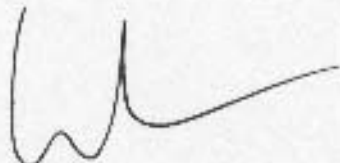
- a) in the Trustee's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- b) in the Trustee's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving a true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



Therese Turner

Director



Louise Petschler

Director

Sydney, 18<sup>th</sup> October 2011

**Credit Union Foundation Australia Trust Fund**

**Statement of Comprehensive Income**

**For the financial year ended 30 June 2011**

	<b>Notes</b>	<b>2011 \$</b>	<b>2010 \$</b>
<b>Revenue</b>			
Interest income		<b>26,463</b>	20,247
Development education fees		<b>54,261</b>	50,146
Other project services (Non-monetary)	3	<b>370,526</b>	347,353
<b>Total revenue from ordinary activities</b>		<b>451,250</b>	417,746
<b>Expenses</b>			
Other project services (Non-monetary)	3	<b>370,526</b>	347,353
Development education expenses		<b>49,300</b>	41,921
Administration expenses	4	<b>2,000</b>	8,000
<b>Total expenses from ordinary activities</b>		<b>421,826</b>	397,274
<b>Excess of revenue over expenses from continuing operations</b>		<b>29,424</b>	20,472
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income</b>		<b>29,424</b>	20,472

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 2011

	Notes	2011 \$	2010 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	223,572	201,074
Cash in term deposit		350,000	350,000
Other receivables	5	6,287	265
<b>Total current assets</b>		<b>579,859</b>	551,339
<b>Current Liabilities</b>			
Other liabilities	6	6,233	7,137
<b>Total current liabilities</b>		<b>6,233</b>	7,137
<b>Net Assets</b>		<b>573,626</b>	544,202
<b>Equity</b>			
Retained Earnings		417,186	387,762
Reserve - Steve Birt Endowment Fund		156,440	156,440
<b>Total Equity</b>		<b>573,626</b>	544,202

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

### Statement of Changes in Equity

	Retained Earnings \$	Reserve - Steve Birt Endowment Fund \$	Total equity \$
<b>For the financial year ended 30 June 2011</b>			
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	<b>417,186</b>	<b>156,440</b>	<b>573,626</b>
<b>For the financial year ended 30 June 2010</b>			
Balance at the beginning of the financial year	367,290	156,440	523,730
Total Comprehensive Income	20,472	-	20,472
Balance at the end of the financial year	387,762	156,440	544,202

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 2011

	Notes	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Interest received		<b>23,902</b>	20,247
Development education funding received		<b>54,261</b>	46,646
Development education expenditure		<b>(50,370)</b>	(41,921)
Administration expenses paid		<b>(5,295)</b>	(3,710)
<b>Net cash provided by operating activities</b>	7 (b)	<b>22,498</b>	21,262
<b>Cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		<b>22,498</b>	21,262
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>201,074</b>	179,812
<b>Cash and cash equivalents at the end of the financial year</b>	7 (a)	<b>223,572</b>	201,074

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 2011**

#### **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
12. Additional information

## Credit Union Foundation Australia Trust Fund

### Notes to the Financial Statements For the financial year ended 30 June 2011

#### 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.

- AASB 2009-5 '*Amendments to Australian Accounting Standards*'. Amendments made to AASB 107 dealing with expenditure items in the Statement of Cash Flows.

Adoption of this amended standard did not have a significant 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 2010-5 ' <i>Amendments to Australian Accounting Standards</i> '.	1 January 2011	30 June 2012
AASB 2010-4 ' <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> '. Amendments arising from AASB 101 ' <i>Presentation of Financial Statements</i> ' dealing with items classified as "other comprehensive income"	1 January 2011	30 June 2012
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 124 ' <i>Related Party Disclosures</i> ' AASB 2009-12 ' <i>Amendments to Australian accounting Disclosures</i> '. These requirements clarify the definition of a related party and include an implicit requirement to disclose commitments involving related parties.	1 January 2011	30 June 2012

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 2011. The Trustee anticipates the adoption of these standards will have no material financial impact on the future periods for the Fund.

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

### **Notes to the Financial Statements For the financial year ended 30 June 2011**

#### **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 18<sup>th</sup> October 2011.

##### **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 judgements. 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 2011**

#### **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 2011**

#### **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 2011**

	<b>2011</b>	2010
	<b>\$</b>	\$
<b>3. Other project services (Non-Monetary)</b>		
These are represented by:		
<u>Development Education</u>		
Volunteers	<b>11,895</b>	9,198
<u>Administration costs</u>		
Employment costs		
Abacus - Australian Mutuals Limited	<b>205,864</b>	-
Cuscal Limited	-	180,393
Volunteer Services	<b>15,750</b>	24,153
Equipment, Accommodation, and Other Services		
Abacus - Australian Mutuals Limited	<b>44,243</b>	41,609
Cuscal Limited	<b>92,774</b>	92,000
Total services in kind	<b>370,526</b>	347,353
Volunteers' services are recognised on the basis of time spent and represents 122 days (2010: 155 days).		
<b>4. Administration expenses</b>		
<b>Auditor's remuneration</b>		
Audit of the financial report	<b>2,000</b>	2,625
The auditor of the financial report is BDO Audit (NSW-Vic) Pty Ltd; in 2010 it was Deloitte Touche Tohmatsu		
Audit of the financial report of the Credit Union Relief Fund	-	
For 2010	-	2,750
For 2009	-	2,625
	<b>2,000</b>	8,000
<b>5. Other receivables</b>		
Sundry debtors	<b>6,287</b>	265
Total other receivables	<b>6,287</b>	265
<b>6 Other liabilities</b>		
Accounts payable and accrued expenses	<b>6,233</b>	7,137
Total other liabilities	<b>6,233</b>	7,137

**Credit Union Foundation Australia Trust Fund**

**Notes to the Financial Statements  
For the financial year ended 30 June 2011**

	2011 \$	2010 \$
<b>7. Notes to cash flow</b>		
<b>a. Reconciliation of cash and cash equivalents</b>		
With Cuscal Limited:		
- Cash at a Bank	479	6,400
- Deposits at call	223,093	194,674
Total cash and cash equivalents	<u>223,572</u>	<u>201,074</u>
<b>b. Reconciliation of excess of revenue over expenses to net cash flow from operating activities</b>		
Excess of revenue over disbursements for the year	29,424	20,472
(Increase)/Decrease in other receivables	(6,022)	829
Decrease in other liabilities	(904)	(39)
<b>Net cash flow provided by operating activities</b>	<u>22,498</u>	<u>21,262</u>
<b>8. Financial instruments disclosures</b>		
Carrying value:		
Cash at a Bank (at call)	479	6,400
Deposits at call	223,093	194,674
	<u>223,572</u>	<u>201,074</u>
Fixed term deposit	350,000	350,000
Total carrying value	<u>573,572</u>	<u>551,074</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 2011

#### 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%	
	2011	2010	2011	2010
	\$	\$	\$	\$
Profit or loss	(2,868)	(2,742)	2,868	2,742

##### Credit risk

Cuscal Limited is an approved deposit taking institution regulated by APRA and is rated A+ (long term) and A1+ (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

##### 2011

	At Call	3 months or less	3 to 12 months	1 to 5 years	Over 5 years	No Maturity Specified	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities</b>							
Other payables	-	6,233	-	-	-	-	6,233
Total	-	6,233	-	-	-	-	6,233

##### 2010

	At Call	3 months or less	3 to 12 months	1 to 5 years	Over 5 years	No Maturity Specified	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities</b>							
Other payables	-	7,137	-	-	-	-	7,137
Total	-	7,137	-	-	-	-	7,137

##### 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 2011**

#### **9. Related party disclosures**

##### **(a) Directors**

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

J.W Baistow (Retired 7 December 2010)  
B. Bennett (Appointed 7 December 2010)  
R.L Dowland (Appointed 7 December 2010)  
P.G Dowling  
K.E Mutton (Retired 5 April 2011)  
J.R Paine (Retired 1 November 2010)  
L.M Petschler  
K.A Skipper (Resigned 6 July 2010)  
M Sweeny (Appointed 14 September 2010)  
T.L Turner (Appointed 7 December 2010)

The compensation of the specified directors was nil (2010: 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

**Credit Union Relief Fund**

**ANNUAL FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

## Credit Union Relief Fund

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## **Credit Union Relief Fund**

### **Information on the Trustee**

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

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

### **Current Directors**

**Brian Bennett** Dip Comm, CPA, FAMI, AIMM

Appointed 7 December 2010

**Experience:**

Chief Executive Officer Encompass Credit Union since 2005

31 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

**Experience:**

General Manager Development bankmecu

18 years senior management experience in mutual banking

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Nil

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

Appointed 1 November 2008

**Experience:**

Former Ernst & Young Tax and Business Advisory Partner

**Directorships in Other Entities:**

Credit Union Australia Ltd

CPA Australia Ltd

Superior Coal Ltd

Lexon Insurance Pte Ltd

SPYRUS Pty Ltd

Virgin Blue Aircraft Leasing Subsidiaries

Co-op Research Centre for Infrastructure Engineering Asset Management

**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

Queensland Honorary Consul for Botswana.

## **Credit Union Relief Fund**

### **Information on Trustee (continued)**

**Louise Margaret Petschler** BA (Hons), MAICUD

Appointed 20 February 2008

**Experience:**

Chief Executive Officer, Abacus-Australian Mutuals Limited

15 years experience in government and public relations

10 years experience in finance industry

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Management Committee, Consumer Credit Legal Centre

**Margot Sweeny** B Bus, MEc, CPA, ACS, SA Fin, FAMI, JP (Chair)

Appointed 14 September 2010

**Experience:**

Chief Executive Officer, Summerland Credit Union

**Directorships in Other Entities:**

Director Abacus Australian Mutuals Limited

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

Deputy Chair of Finance Committee.

Director, Southern Cross University Foundation

Director, Asia Pacific Football Institute Operations

**Other Declared Interests:**

Member, Federal Government Advisory Panel on Standards and Ethics for Financial Advisers

**Therese Lyn Turner** MBA, Adv Diploma Accounting, MAMI

Appointed 7 December 2010

**Experience:**

Chief Executive Officer, Quay Credit Union Ltd

25 years experience in financial services industry

**Directorships in Other Entities:**

Director, Quay Credit Union Ltd

**Other Declared Interests:**

Nil

### **Retiring Directors – Held office during the financial year**

**John William Baistow** BA, Dip Bus Stud, Dip CD, FAICD, MBA (Tech Mgt) FAMI

Appointed 7 December 2006

Retired 7 December 2010

**Experience:**

Retired Senior Executive, CSIRO

22 years as a credit union director, 7 years as chairman

**Special Responsibilities:**

Chairman, Credit Union Foundation Australia Pty Ltd, until retirement

**Directorships in Other Entities:**

Cuscal Limited

mecu Limited

**Other Declared Interests:**

Nil

## Credit Union Relief Fund

### Information on Trustee (continued)

**Kenneth Mutton** Dip BA, Dip Fin. Services, FAMI

Appointed 16 December 2009

Retired 5 April 2011

**Experience:**

Chief Executive, Swan Hill Credit Union Ltd

Chairman, Victorian Insight Committee

34 years experience in finance industry

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Nil

**John Richard Paine** Dip Fin. Services AMI, MAIM, JP

Appointed 1 November 2006

Retired 1 November 2010

**Experience:**

General Manager, Family First Credit Union Ltd

39 years experience in finance industry

**Directorships in Other Entities:**

Nil

**Other Declared Interests:**

Nil

**Kathryn Anne Skipper** AM, FAICD, FAIM

Appointed 18 February 2009

Resigned 6 July 2010

**Experience:**

Consultant in corporate governance and board dynamics; executive coach and mentor for executives and directors.

Extensive background in governance and sustainability; awarded an Australia Medal in the Order of Australia Awards for service to children and adults with disabilities in Australia.

**Directorships in Other Entities:**

Director – People's Choice Credit Union

Deputy Chair – South Australian Tourism Commission

Chair – Plan International – Australia

Chair –Royal District Nursing Service

Director – Aboriginal Foundation SA

**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 2011, 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 2011.

### 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 (including the Australian Accounting Interpretations). 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.

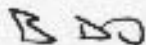
#### Independence

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

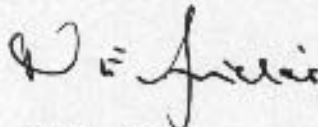
#### Opinion

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 2011 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 2011; and
- (d) Monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2011, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.



**BDO Audit (NSW-VIC) Pty Ltd**



**Neville Sinclair**  
Director

Sydney, 19<sup>th</sup> October 2011

## 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 8 to 16 for the financial year ended 30 June 2011 has been prepared as required by the Trust Deed.

The auditor of the Relief Fund, BDO Audit (NSW-Vic) Pty Limited, 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:

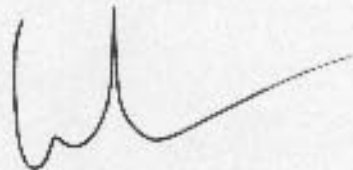
- a) in the Trustee's opinion, there are reasonable grounds to believe that the Relief Fund will be able to pay its debts as and when they become due and payable;
- b) in the Trustee's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving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



Therese Turner

Director



Louise Petschler

Director

Sydney, 18<sup>th</sup> October 2011

## Credit Union Relief Fund

### Statement of Comprehensive Income

For the financial year ended 30 June 2011

	2011 \$	2010 \$
<b>Revenue</b>		
Queensland flood appeal funds collected	62,395	-
Victorian bushfire appeal funds collected	-	10,083
Interest earned	5	189
<b>Total revenue from ordinary activities</b>	<u>62,400</u>	<u>10,272</u>
<b>Expenses</b>		
Queensland flood appeal proceeds paid to Queensland Department of Premier and Cabinet	62,260	-
Victorian bushfire appeal funds paid to Australian Red Cross	-	10,272
Administration expense	140	-
<b>Total expenses from ordinary activities</b>	<u>62,400</u>	<u>10,272</u>
<b>Excess of revenue over expenses from continuing operations</b>	-	-
<b>Other Comprehensive Income</b>	<u>-</u>	<u>-</u>
<b>Total Comprehensive Income</b>	<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 2011

	2011 \$	2010 \$
<b>Current Assets</b>		
Cash on hand	100	100
<b>Total Current Assets</b>	<u>100</u>	<u>100</u>
<b>Current Liabilities</b>		
Other Liabilities	-	-
<b>Total Current Liabilities</b>	<u>-</u>	<u>-</u>
<b>Net Assets</b>	<u>100</u>	<u>100</u>
<b>Equity</b>		
Settled funds	100	100
<b>Total Equity</b>	<u>100</u>	<u>100</u>

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

### Statement of Changes in Equity

	\$	\$
<b>For the financial year ended 30 June 2011</b>	<b>Settled Funds</b>	<b>Total</b>
Settled Funds	100	100
Total Comprehensive Income	-	-
Balance at the end of the financial year	<u>100</u>	<u>100</u>
<b>For the financial year ended 30 June 2010</b>	<b>Settled Funds</b>	<b>Total</b>
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 2011

	Note	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Proceeds of Queensland flood appeal collected		62,395	-
Proceeds of Victorian bush fire appeal collected		-	10,083
Interest received		5	189
Proceeds of Queensland flood appeal paid to Queensland Department of Premier and Cabinet		(62,260)	-
Proceeds of Victorian bush fire appeal paid to Australian Red Cross		-	(10,272)
Administration expenses		(140)	-
		<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	5	-	-
<b>Cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
		<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>		-	-
		<hr/>	<hr/>
<b>Cash and cash equivalents at the beginning of the financial year</b>		100	100
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	5	100	100
		<hr/>	<hr/>

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 2011**

#### **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 2011

#### 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.

- AASB 2009-5 '*Amendments to Australian Accounting Standards*'. Amendments made to AASB 107 dealing with expenditure items in the Statement of Cash Flows.

Adoption of this amended standard did not have a significant 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 2010-5 ' <i>Further amendments to Australian Accounting Standards</i> .'	1 January 2011	30 June 2012
AASB 2010-4 ' <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> '. Amendments arising from AASB 101 ' <i>Presentation of Financial Statements</i> ' dealing with items classified as "other comprehensive income".	1 January 2011	30 June 2012
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 124 ' <i>Related Party Disclosures</i> ' AASB 2009-12 ' <i>Amendments to Australian accounting Disclosures</i> '. These requirements clarify the definition of a related party and include an implicit requirement to disclose commitments involving related parties.	1 January 2011	30 June 2012

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 2011. The Trustee anticipates the adoption of these standards will have no material financial impact on the future periods for the Fund.

## **Credit Union Relief Fund**

### **Notes to the Financial Statements For the financial year ended 30 June 2011**

#### **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 18<sup>th</sup> October 2011.

##### **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 judgements. 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 2011**

#### **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 2011

#### 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.

	2011 \$	2010 \$
<b>3. Auditor's remuneration</b>		
Auditor's remuneration	-	-

The auditor of the financial report is BDO Audit (NSW-Vic) Pty Ltd.  
For the 2010 financial year, the auditor was Deloitte Touche Tohmatsu

Auditor's remuneration for the financial year ended 30 June 2010 was paid by 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	-	-
--	---	---

#### 5. Financial instruments disclosures

	2011 \$	2010 \$
<b>Carrying value:</b>		
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

As the Fund's only financial asset is cash on hand, the Fund is not subject to credit risk at year end.

During the financial year the Fund deposits money with Cuscal Limited. Cuscal Limited is an approved deposit taking institution regulated by APRA and is rated A+ (long term) and A1+ (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 2011

#### 6. Related party disclosures

##### (a) Directors

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

J.W Baistow (Retired 7 December 2010)  
B. Bennett (Appointed 7 December 2010)  
R.B Dowland (Appointed 7 December 2010)  
P.G Dowling  
K.E Mutton (Retired 5 April 2011)  
J.R Paine (Retired 5 April 2011)  
L.M Petschler  
K.A Skipper (Resigned 6 July 2010)  
M Sweeny (Appointed 14 September 2010)  
T.L Turner (Appointed 7 December 2010)

The compensation of the specified directors was nil (2010: 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



Level 1-1 Margaret Street  
Sydney NSW 2000  
GPO Box 4720  
Sydney NSW 2001

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Strengthening Communities