

**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:

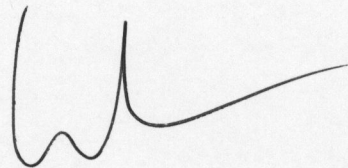
- a) in the Trustee's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- b) in the Trustee's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving a true 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>\$</b>	<b>2010</b> <b>\$</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	<b>223,572</b>	201,074
Cash in term deposit		<b>350,000</b>	350,000
Other receivables	5	<b>6,287</b>	265
<b>Total current assets</b>		<b>579,859</b>	551,339
<b>Current Liabilities</b>			
Other liabilities	6	<b>6,233</b>	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		<b>417,186</b>	387,762
Reserve - Steve Birt Endowment Fund		<b>156,440</b>	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	<b>387,762</b>	<b>156,440</b>	<b>544,202</b>
Total Comprehensive Income	<b>29,424</b>	-	<b>29,424</b>
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**

	<b>Notes</b>	<b>2011 \$</b>	<b>2010 \$</b>
<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

	2011 \$	2010 \$
<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**

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

**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