

The logo for Cufa, featuring the word "Cufa" in a stylized, cursive font with a color gradient from yellow to red.

# Annual Report

2019 - 2020



Australian  
Aid



ACFID  
MEMBER



Australian Government

Department of Foreign Affairs and Trade

**Australian  
Aid** 

Cufa is a signatory to the ACFID Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity.

The Department of Foreign Affairs and Trade (DFAT) is the Australian Government agency responsible for managing Australia's overseas aid program. Australia's aid program aims to help developing countries reduce poverty and achieve sustainable development.



# Table of Contents

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Message from Chair	04
Message from CEO	05
Who We Are	06
Where We Work	08
Children’s Financial Literacy	10
Village Entrepreneur	15
Credit Union Development	20
Family Livelihoods Improvement	22
Project COVID-19	25
Other Programs	29
Conversations in Development	30
Our People	31
Our Board	33
Our Supporters	35
Our Financials	



## **LETTER FROM THE CHAIR**

**ANDREW RODGERS**

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This year Cufa proudly continued its mission in creating infinite value, in the face of the adversity brought about by the COVID-19 crisis. Despite these hardships, Cufa has quickly adapted to the global situation, amending programs to meet the changing needs of local communities. As such, Cufa remains committed to breaking the poverty cycle in the communities we work with across the Asia-Pacific region. This report specifically details our activities and achievements in Myanmar and Cambodia, presenting Cufa's Impact in social transformation, empowerment and education. Our programs in Children's Financial Literacy, Credit Union Development, Livelihoods and our Village Entrepreneur program have continued to grow and reach new people.

Cufa's Board said farewell to Peter Dowling, David Chapman, and Margot Sweeny as retiring directors. We thank them for their years of service and the valuable contributions they have all made. In particular, Margot Sweeny, who worked tirelessly during her tenure, overseeing Cufa's transition to independence in 2013. In recognition of her passion for education and social empowerment, a scholarship program has been established for Cufa's overseas staff in her name, providing them the opportunity to further develop their work-related skills and technical competence.

I would also like to extend a warm welcome to our new board members: Amanda Young, Jo Maloney and Damon Jalili, who joined the Board in June 2020. All three bring a diverse set of skills, experiences and knowledge to Cufa's Board. To my fellow board members, thank you for your ongoing support this year. I would also like to extend this sentiment to our partners in the Australian Government – DFAT and Australian Aid, ADB, overseas Governments, our Corporate and Credit Union Partners, our staff, our members and the public, in supporting Cufa's mission of poverty alleviation across the Asia-Pacific Region.



# LETTER FROM OUR CEO

PETER MASON

Cufa's continued efforts in alleviating poverty would not have been possible without the ongoing support of our partners - old and new - across the Australian government, the private sector and individuals. This year, unlike any other, has brought unprecedented challenges, not only to the communities we work with but to the global community. As we faced the threat of COVID-19, Cambodia and Myanmar have demonstrated immense strength and resilience in the wake of such uncertainty. Furthermore, I would like to thank our field staff in Cambodia and Myanmar who have continued to empower individuals, families and communities, by ensuring that our programs continue to meet the evolving needs of community members. Of special mention is the adaptation of the Recycling Plastics Livelihood Program in Cambodia to Family Livelihoods Improvement Project COVID-19 – an exciting initiative in response to COVID-19, which facilitates the production and selling of hand soap for communities that previously had no adequate access to sanitation supplies.

The following Annual Report traces the impacts of our activities in Cambodia and Myanmar over the last financial year, focusing on our Children's Financial Literacy, Village Entrepreneur, Credit Union Development and Livelihoods programs. I am pleased to announce this is the third year of Cufa's podcast, Conversations in Development, which has continually shone a spotlight on some of the most pressing issues in International Development and Foreign Aid.

I am hoping the following year is not as turbulent as 2020. Nevertheless, I am excited for the new projects, including our new mobile banking project DigiCUD, in Myanmar. Cufa's continued efforts in alleviating poverty cannot be made possible without the ongoing support of our partners – old and new – across the Australian government, the private sector, and individuals. The team at Cufa and I are looking forward to our 50th year of operations in 2021.



## WHO WE ARE

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Cufa is a non-for-profit organisation working in the Asia- Pacific Region. Since 1971, Cufa has been committed to alleviating poverty and creating infinite value across the Asia- Pacific Region.

Cufa's philosophy is to provide opportunities for people to empower themselves. To achieve this, Cufa approaches breaking the poverty cycle through four key pillars: Education, Employment, Enterprise and Economic Institutions.

Cufa seeks to not only alleviate poverty, but also to equip communities with the tools and knowledge they need to overcome challenges and barriers, economic decisions, increase their livelihoods abilities and manage their lives independently. Cufa is also a signatory to the Australian Council for International Development (ACFID) Code of Conduct. To ensure compliance with the code, Cufa provides ACFID a comprehensive assessment of its overall practices.

## Our Mission



To facilitate the development of economic capacity through education, employment and enterprise opportunities and create infinite value and self-reliance.

## Our Values



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

## Our Values



Integrity, passion, innovation, collaboration and financial prudence.

## Our Impact



For every \$1 of donor funding \$12.33 of value is created by our development programs.

# WHERE WE WORK

Cufa's work is concentrated on Australia's neighbours in the Asia-Pacific that are living in poverty. To date, Cufa's work has had a positive impact on local people and communities across 27 countries in this region.



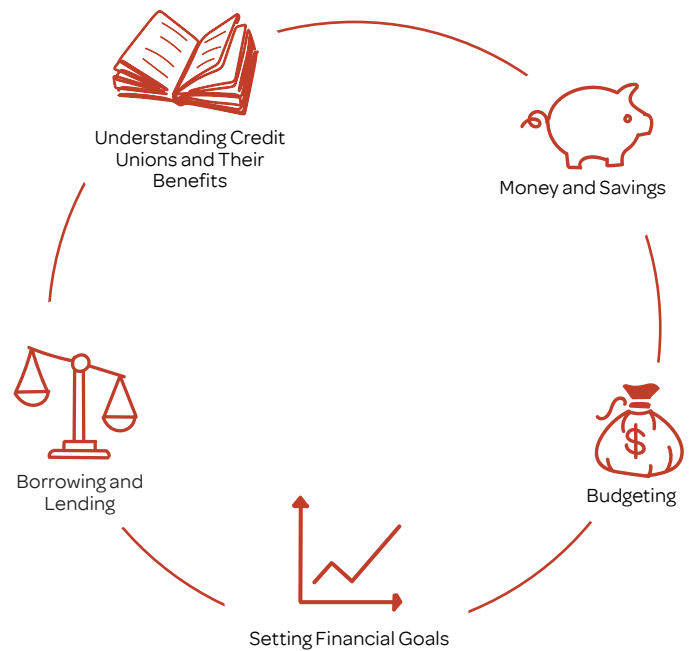




# PROJECT OVERVIEW

## CHILDREN'S FINANCIAL LITERACY Creating Financial Empowerment

The Children's Financial Literacy Program, with the support of the Department of Foreign Affairs and Trade (DFAT) and Teachers Mutual Bank (TMB), provides the tools for children to learn the importance of savings and improve their financial futures. The program is currently being implemented in Cambodia and Myanmar, educating 9,000 and 3,000 students respectively.



To further emphasise the importance of savings in these remote communities, Cufa provides workshops for teachers who can then deliver the program in the future to increase the reach. Cufa also undertakes home visits to monitor the children's retention of knowledge and to ensure parents understanding the important role they place in encouraging good practices.

# CHILDRENS FINANCIAL LITERACY 2019 -2020

## HIGHLIGHTS

CAMBODIA / MYANMAR

### Cambodia



9,048

Children  
Participated



1,157

Financial Lessons  
Conducted



60%

Children Started  
Saving



808

Home Visits  
Conducted

### Myanmar



2,939

Children  
Participated



364

Financial Lessons  
Conducted



81%

Children Started  
Saving



164

Home Visits  
Conducted

# OUR PROGRAM'S IMPACT

## MEET CHANTHOU

### Creating Financial Empowerment

Chanthou is a twelve year old female student from Tbaeng Village, where she lives with her sisters and parents. Her father is a construction worker and her mother works as a stitch weaver. Due to her family's limited income, her parents did not have a savings account. They were not aware of the importance of savings and previously had no financial literacy.

Before the CFL Program, Chanthou would have 1,000 Riels (35¢) of pocket money each day, which she would spend on things such as candy, like most children. When Cufa provided financial literacy lessons at her school, Chanthou's spending habits changed rapidly, and she began to save money at home.

*"After participating in the CFL program, I have started to save money and now I can help my parents save and buy study materials myself"*  
- Chanthou




# CREATING ASPIRATIONS

## OUR PROGRAM'S IMPACT

### Mr Borey's Case Study

Mr Borey is a Deputy Director of a school that is one of the many beneficiaries of the CFL Program in Cambodia. Kuthea Sok, Cufa's Local Project Officer, had the opportunity to discuss with Mr Borey the impacts of the program and the change in the behaviour of his students.

Once the students received financial lessons, they were eager to commence saving for their futures. From clothes to bicycles to university fees, Mr Borey is confident that his students will become more ambitious and succeed in the future.

A photograph of Mr Borey, a man with short dark hair, wearing a white polo shirt, standing in a classroom. Behind him is a green chalkboard and a blue plastic chair. An orange text box is overlaid on the right side of the image.

*"If they had 1000 Riels, they would just spend it all and never cared about saving. On average, each student receives 1500 riels per day for pocket money. They always want to have money to spend on cookies and snacks at school, even though breakfast is served at home." -Mr Borey*





## **PROJECT OVERVIEW**

### **VILLAGE ENTREPRENEURS PROGRAM**

Creating Successful Business Owners

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The Village Entrepreneur (VE) Program is a grassroots project in Cambodia that seeks to support the entrepreneurial efforts of economically disadvantaged villagers by offering them training on how to run and manage their own micro-businesses. The VE Program seeks to break the cycle of intergenerational poverty by empowering individuals with the required knowledge and resources for their business to become financially sustainable within three years.

Participants in the VE Program typically run micro-businesses in the agriculture and farming sector, with some specialising in selling groceries, hairdressing and mechanics. Due to the diversity of enterprise, monitoring and training of relevant knowledge and skills is delivered regularly on a quarterly basis. Implementation of the VE Program is not possible without the support of our community investors (CIs) members of Australian public who provide monthly financial contributions to set up their business villagers to seed their businesses. Every quarter, each CI is notified about the progress of the VE Program via a report, which details the business operations, expenditure and profits from the VE's business operations.

# VILLAGE ENTREPRENEUR

Highlights 2019-2020

45

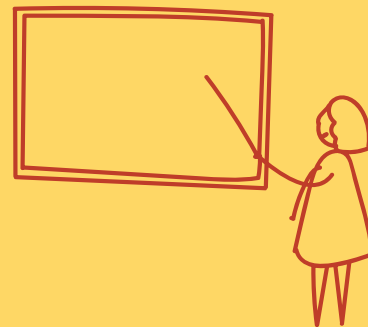
Village Entrepreneurs  
Became Self-Sustainable



Australians Invested  
**\$50,600**



Support Sessions  
Provided **1,281**



**\$1,416,814**

**SOCIAL VALUE CREATED**

## IMPACT OF COVID-19

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COVID-19 has had an enormous impact on Cufa's VE Program in Cambodia. Most notably, micro-businesses such as tailors, cloth shops, grocery stores and mechanics were heavily impacted by the delay of raw materials imported from China. Comparatively, VEs who worked in the agricultural sector raising animals and cultivating fruits and vegetables experienced an increase in demand. As such, the pandemic presented itself as an opportunity for some VEs to sell their produce at a higher price.

Despite these profound changes, Cufa's VEs have been highly resilient and have quickly adapted to the uncertainty of COVID-19. Cufa's field staff reported VEs have made customers feel safe by implementing social distancing measures, wearing face masks where appropriate. Additionally, some VEs have undergone training to diversify how they sell their products, including marketing via social media and using mobile capabilities to deliver their goods and services to customers.



# VILLAGE ENTREPRENEUR SUCCESS STORY

## OUR PROGRAM'S IMPACT

### Sokhorn Kreung's Story

Sokhorn Kreung is a 47-year-old single mother of two children, residing in the Takeo Province of Cambodia. When her children came to live with her, Sokhorn needed to generate some form of income. Sokhorn decided to withdraw her savings to start a micro-business selling local produce and snacks. In the beginning, she could only partially support her family with her shop stall, and would often have to borrow money at high interest rates to pay off her children's medical bills. Nevertheless, the desire to expand her business remained strong and with the help of a Community Investor, Sokhorn was not only able to participate in training programs specialising in business and agricultural skills, but was also able to expand the selection of produce in her shop.

Overtime, Sokhorn's business profits have increased, now she says she no longer has to worry about buying rice for her family on credit. Sokhorn has also paid off her children's study fees and purchase their new uniforms and stationery items.







# PROJECT OVERVIEW

## CREDIT UNION DEVELOPMENT

Creating Financial Inclusion

Cufa's Credit Union Development (CUD) Program is designed to serve rural communities that previously had no access to financial institutions. The Program was started in 2013 in Cambodia, and Myanmar in 2016.

Credit unions provide safe access to loans, financial advice and affordable places to save money with reasonable interest rates. Credit Unions (CU's) are member owned and operated which means they have more capacity to cater to the specific needs of their communities, and the profits benefit the communities through investment in local development projects.

The CUD program trains and supports community members to form and maintain their own CU's by building financial skills and knowledge and financial infrastructure and services. Additionally, our approach to monitoring and evaluation ensures the implementation of the CUD Program is continually improving and remains responsive to evolving local needs. The majority of Cufa supported credit unions we have reached maturity and are self-sustainable; however, the high penetration of microfinance institutions in the communities we work with cannot be ignored. Due to increasing market pressure from these institutions, Cufa has adapted the CUD program to meet the ever-changing needs of community members. As a result, the program serves as the foundation for the implementation of two new projects: the Livelihoods project in Cambodia and the DigiCUD program in Myanmar.



# PROJECT OVERVIEW

## RECYCLING PLASTICS LIVELIHOODS PROJECT

Supporting Female Entrepreneurs And Creating Environmental Awareness

Cufa's Recycling Plastics Livelihoods Project commenced in 2019 in Cambodia to address a growing environmental concern surrounding the increasing amount of plastic waste due to greater business activities and population growth in the country. The project includes introducing environmental awareness strategies to communities, teaching members the value of recycling, managing plastic waste, providing opportunities for additional income and maintaining a healthy, clean environment.

The project utilises a multi-pronged approach and is delivered in three streams to provide a range of skills and education that meets the needs of a large cross-section of the community.

### THE 3 STREAMS

- 1.** Build the capacity of aspiring female entrepreneurs through technical and entrepreneurial skills training.
- 2.** Develop the wider community's awareness on environmental issues.
- 3.** Increase the community's financial literacy to withstand changes in financial circumstances and economic shocks.



# **PROJECT OVERVIEW**

## **FAMILY LIVELIHOODS IMPROVEMENT PROJECT**

### **Creating Income Opportunities**

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The spread of COVID-19 has threatened the livelihoods of community members whom Cufa works with. Cufa adapted recycling project to create the FLIP 19 due to community members expressing the community needs, high demand for and low access to sanitation and hygiene products.

Stream One of our recycling our Recycling Plastics was transitioned into soap production, whilst Streams Two and Three remain the same.

Stream One focuses on the recruitment of female community members as a means to improve their financial independence and confidence in business decision-making processes.

## **PILLARS OF THE PROJECT**

Generating income for community members

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Producing soap for community members to increase hygiene and minimise the risk of COVID-19

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Providing opportunities and capacity building for female community members

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Increasing technical and entrepreneurial skills

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Improving livelihoods through entrepreneurial opportunities



2,940

Litres of Soap  
Produced & Sold



\$ 1,038.35

Total Profit



Additional income  
stream created for

30 members



67%

of participants  
are women



## LIVELIHOODS PROGRAM SUCCESS STORY

Dara is a widowed, unemployed mother of three who, pre-COVID, spent most of her time caring for her youngest son due to the loss of her husband. When the pandemic hit, she saw her income decrease whilst the price of goods continued to increase. After hearing of the Family Livelihood Improvement Project, Dara travelled 12 kilometres to the nearby village to gain knowledge and skills on soap production and various other technical and entrepreneurial skills. Dara was excited about owning her own business and the prospect of increasing her income at such a difficult time.

Within two months, she had sold 70 litres of soap to retailers and users in Kampong Thom Province. Dara exemplifies the success and value female community members can have on social and economic structures when provided with effective training and skills.

*"I feel so happy to have my own business and what makes me happier is my ability to promote and sell soap like other members. I was always worried because I thought I was too old and illiterate, and wouldn't be able to sell as much soap. But after attending many training sessions organised by Cufa and with the encouragement of other members, I was able to do it." – Dara*



# PROJECT OVERVIEW

## ASSESSING THE HUMAN RIGHTS SITUATION OF COMMUNITIES LIVING IN RESETTLEMENT SITES IN CAMBODIA FOR OHCHR

In August 2019, Cufa was engaged by UNDP on behalf of the OHCHR to assess the human rights situation of communities living in resettlement sites in Cambodia to enable the preparation of a follow-up study to the analysis in the Eviction and Resettlement in Cambodia- Human Costs, Impacts and Solutions report which was released in 2012.

### Three key objectives were identified for Cufa's Assessment



**1.** To conduct household surveys and focus group discussions in 17 resettlement sites in Phnom Penh, Sihanoukville, Banteay Meanchey, Siem Reap, Strung Treng, Koh Kong and Kampong Speu provinces.



**2.** Interview village, commune and district level authorities allowing them to explain their role in the processes of relocation, allocating individual plots, securing provision of basic services within the area, measuring changes to family's livelihoods, and supporting vulnerable households as necessary.



**3.** Interview local NGOs that work in the land sector, who are either directly supporting families at the relocation sites through education or health; or are specifically for women in resettlement areas; or are more generally, active in advocating for land and housing rights.



## **PROJECT OVERVIEW**

### **DEVELOPING CONTENT AND CONDUCTING CAPACITY BUILDING PROJECT IN THE SHAN STATE AND MANADALAY REGION**

#### **Working To Empower Female Entrepreneurs In Myanmar**

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Women-led businesses in Myanmar, including both formal and informal businesses, face significant challenges in expanding their businesses beyond small scale operations. UNDP engaged Cufa to build the of micro, small and medium (MSMEs) female-owned enterprises with a focus on rural, agricultural and agro-processing and fishery sector-based business in Shan State and Mandalay Region.

The project involved two streams: Start Ups, which provided training for new entrepreneurs; and Ongoing, which targeted existing entrepreneurs and their own businesses. Both groups received 12 days of training, including a site visit to a successful business.

The Start Up stream training focused on building marketing, business plan, leadership and financial management skills. The Ongoing stream training included marketing strategies and analysis, costings and business administrations, as well as concepts covered in the Start Up stream. Due to COVID-19, the project took on additional curricula, including digital marketing, with phone and internet bills subsidised by Cufa to facilitate these training sessions.

# TRAINING SMALL BUSINESSES

## OUR PROGRAM'S IMPACT

### Ohn's Case Study

Ohn began her business under the brand name 'Gift of Nature', in 2015 making and selling small gifts. In 2018, her business began to grow and she increased her range of products, such as door mats and bathroom accessories. She mentioned to Cufa's Field Officers that the reason she had joined the Ongoing Stream was because she felt her business was being held back, but did not understand why. After attending Cufa's workshops, she realised her accounting skills, and the monitoring of her business's inputs and outputs was lacking.

Ohn undertook the online training workshops conducted by Cufa. Initially she was worried that the training would not be effective, but was pleasantly surprised by the quality of her teacher. Ohn said "I have experienced other online training programs before but was not satisfied. What makes this program different is the teacher's kindness and patience for participants."



# PROJECT OVERVIEW

## DIGICUD PROJECT

### Bringing Mobile Banking To Rural Credit Unions

In 2020, Cufa partnered with BankGenie, a mobile developer based in Singapore, to implement their BanqIn platform in Cufa-supported CU's in rural Myanmar. BanqIn is an all-in-one, comprehensive digital core banking system specifically designed to reach unbanked and under-banked communities and increase financial inclusion in rural and remote areas with limited financial services provides. Leveraging Myanmar's 93% mobile saturation rate and integrating advanced technology, the program will begin with the digitisation of 23 Credit Unions that Cufa currently supports. Through mobile apps BanqIn allows for a hub and spoke approach through which Cufa will connect 90 new villages to the one of the 23 digitised Credit Unions.



## Our Guests



Nicole Stanmore



Michael Spann



Jeff Bost



Nigel Spence



Amanda Young



Manuel Renteria



Loksan Harley



Chris Franks



Rithy Thul



Colette McInerney

## CONVERSATIONS IN DEVELOPMENT THIRD SERIES

A PODCAST ABOUT CHALLENGES, LIFE STORIES AND EXPERIENCES IN THE DEVELOPMENT SECTOR

Hosted by Cufa's CEO, Dr. Peter Mason, the podcast series aims to use an open and engaging way to discuss issues on International Development and Foreign Aid. Leading professionals and experts in the field join Dr. Mason in a lively conversation on established and emerging schools of thought and practice within the international development sector. Since August 10 2020, nine episodes have been released fortnightly, discussing topics ranging from Peace and Conflict in Colombia, to academia in the Asia Pacific Region.

[conversationsindevelopment.com.au](https://conversationsindevelopment.com.au)



## OUR PEOPLE

Cufa's talented and dedicated employees, board and volunteers are at the centre of Cufa's mission to alleviate poverty. Cufa employees five full-time staff members and two part-time staff members in Sydney, who oversee Cufa's programs and fundraising. The majority of Cufa's staff are based in Myanmar and Cambodia, led by a local people. Cufa's in-field staff responsible for the implementation of our projects. They provide expert local knowledge, cultural insight and sensitivity and understanding of local context and environments.

Cufa was also blessed with volunteers who worked tirelessly to contribute to Cufa. Our Board of Directors, members of our International Development Working Group have all contributed their wisdom and knowledge to empowering Cufa's programs and initiatives.

**75% of our staff are  
local to our program  
countries**

# OUR BOARD

The following persons were Directors of Cufa Ltd during the whole of the financial year and up to the date of this report: Margot Sweeny (Chairman), David Chapman, Peter Dowling, Ted Marchant, Peter Mason, Andrew Rodgers, Jo Maloney, Damon Jalili and Amanda Young. Margot Sweeny and Peter Dowling stepped down in June 2020. Damon Jalili, Jo Maloney and Amanda Young were appointed Directors, June 2020. Andrew Rodgers was appointed Chairperson in June 2020.



## ANDREW RODGERS

**Chairperson / BBus(Acc), AssocDip (Elec Eng) , FAICD, FCPA  
Andrew joined the Cufa Board in December 2018**

Andrew has held Non-Executive Director positions in public and private companies, been Chair and member of Advisory Boards and Joint Venture Committees and brings with him 25+ years of experience across many industries in the public, private and not for profit sectors across a diverse number of industries. He actively promotes diversity, cultural awareness and provides practical and commercial business insights and advice. In his Executive career, he has held positions of CEO, COO, and CFO in large public and private companies including ASX 100.



## DAMON JALILI

**Director / B.Psy, Mast Peace & Conflict  
Studies, AICD**

**Damon joined the Cufa board in June 2020**

Damon is a government relations and strategic communications specialist with over 20 years' experience in designing and delivering government relations, strategic communications and social research programs for high profile clients in Australia and internationally. He has experience in Federal Government working for the Finance Minister as well as on multiple federal and state political campaigns. Damon is the owner and Principal of Christmas Jalili, a public affairs, strategic communications and social research advisory consulting private sector organisations and industry groups on issues in business, finance and politics. Prior to that, Damon was also a Partner and Head of the Government Relations Practice at Kreab (formerly Gavin Anderson).



## JO MALONEY

**Director/ B.A(Comm and PolSci), APSC  
Jo joined the Cufa board in June 2020**

Jo is a senior executive with more than 15 years' experience working across non-profit and government sectors to build awareness of complex social issues in Australia and South East Asia. Her expertise encompasses media relations, government engagement, fundraising, community development and corporate partnerships. Jo was the CEO of Project Futures, and the International Policy Advisor for the Department of Prime Minister and Cabinet and the Senior Communications and Partnerships Adviser, World Vision Australia. Jo was a member of the Red Cross International Humanitarian Law Committee.



### **TED MARCHANT**

**Director/B.Com, LL.B. FAICD, FCPA, FFin, Solicitor**  
**Ted joined the Cufa board in August 2019**

Ted Marchant joined the board in August 2019 following the acquisition of Foresters Community Finance Limited where he has been a non-executive director for a number of years. Besides that experience in micro-finance and social enterprise fund management, he has worked as a commercial and investment banker in mergers and acquisitions, capital raising and credit and lending for over thirty years.



### **DR PETER MASON, CEO**

**Director/ PhD, BA (Hons)**

**Peter joined the Cufa board in August 2018**

Peter has been the CEO of CUFA Ltd for the last twelve years and in that time has redefined and developed its international program portfolio across the Asia Pacific region. Peter has worked in Cambodia, Timor Leste, Myanmar, Sri Lanka, India, Fiji, Solomon Island, Tonga, Samoa, Vanuatu, Papua New Guinea, Indonesia and the Federated States of Micronesia as well as having had extensive experience working in the domestic community sector.



### **COLETTE MCINERNEY**

**Director**

**Colette joined the Cufa board in August 2018**

With over 20 years' experience in leading NGO's both in Australia and Internationally, Colette brings a unique synthesis of effective and respectful leadership skills and practical experience gained through roles as the Laos-based Country Director for a global NGO, CEO of an Indigenous financial inclusion foundation, and strategic public-private partnership manager. Colette has extensive knowledge and expertise in female-centred economic development programs, microfinance and financial inclusion and is a highly skilled fundraiser and strategic stakeholder management advisor.



### **AMANDA YOUNG**

**Director/B.Law, DiplLegPrac, Harvard ExecProg, Stanford ExecProg, AICD, Atlantic Fellow, LSE.**

**Amanda joined the Cufa board in June 2020**

Amanda Young is an Indigenous woman to the Pacific Islands who has worked extensively across the political, social and economic equity of Indigenous people. A lawyer by trade, she has worked in criminal law, government, commerce and as the CEO of an Australian Indigenous economic charity where her impact led to the first Indigenous financial wellbeing strategy, a world-first Indigenous financial edutech program and a superannuation outreach program which reunited \$24 million Indigenous superannuation with its remote and regional owners in a matter of days. This work earned her several award nominations and successes. As an Atlantic Fellow for Social and Economic Equity at the London School of Economics, and has attended Harvard and Stanford executive business schools, Amanda's most recent work is on global regenerative and distributive economies.

# OUR SUPPORTERS

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Cufa would like to thank all of our generous supporters in 2019-20. Together we work to create change and infinite value.

We acknowledge the following supporters:



Australian Government  
Department of Foreign Affairs and Trade





# OUR FINANCIALS

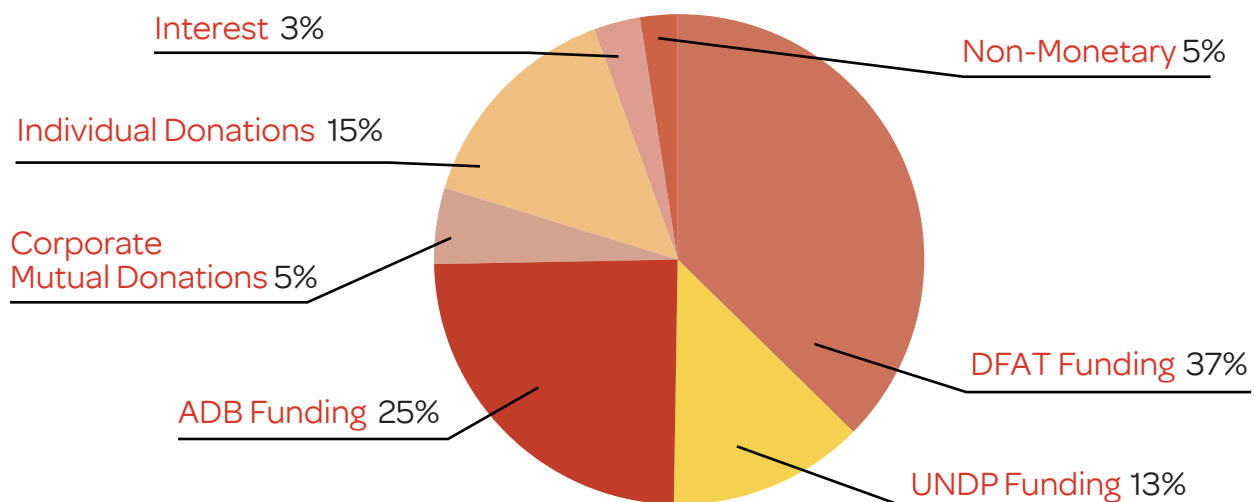
## REVENUE IN 2019-20

Cufa raised a total revenue of \$1,331,321.00 for the financial year of 1 July 2019 to 30 June 2020. Of the total revenue, 74.81% was funding received from grants. We are extremely grateful for this significant proportion of funding.

Cufa is similarly grateful for the ongoing support and commitment from corporates, in particular the mutual and banking sector, which comprised 5% of our total revenue. We thank every single individual donor for their investment in Cufa and in creating infinite value. Collectively, your support comprises 14.74% of our income, mainly in support of our Village Entrepreneurs and we thank you sincerely for helping to empower these people in breaking the poverty cycle and building a sustainable future for themselves and future generations.

### REVENUE SOURCE BREAKDOWN

DFAT Funding	\$496,960.00
UNDP Funding	\$172,259.00
ADB Funding	\$327,136.00
Corporates Mutuals Donations	\$64,983.00
Individual Donations	\$196,283.00
Interest	\$40,108.00
Non-Monetary	\$33,591.00
<b>Total Income</b>	<b>\$1,331,321.00</b>



# OUR FINANCIALS

## DISBURSEMENTS IN 2019-20

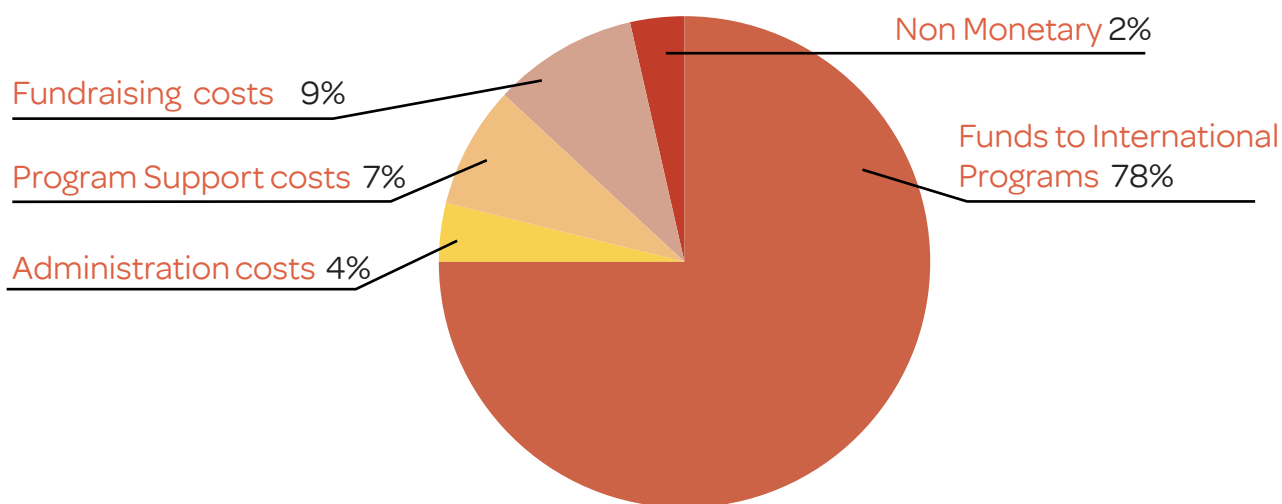
Cufa disbursements totalled \$1,344,624 this financial year, with 77.7% of funds being spent directly on our programs, plus a further 7% allocated to supporting our programs.

Our administration costs remain exceptionally low, totalling just 3.6 % of our total spend.

Whilst effort has been made to increase awareness surrounding the impact of our work, Cufa's fundraising costs also remain low, totalling just 8.9% of expenditure.

### DISBURSEMENT BREAKDOWN

Funds to international programs	\$1,045,585.00
Administration	\$49,696.00
Program support costs	\$95,141.00
Fundraising costs	\$120,611.00
Non monetary expenditure	\$33,591.00
<b>Total Expenses</b>	<b>\$1,344,624.00</b>



**CUFA Ltd**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

<b>CONTENTS</b>	<b>Page No.</b>
Corporate Information	1
Auditor's Independence Declaration	2
Responsible Entities' Declaration	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Funds	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-16
Independent Auditor's Report	17

## **Corporate Information**

### **Responsible Entities**

The following Responsible Entities (Directors) were in office at the date of this report:

Peter Mason  
Damon Jalili            appointed 5<sup>th</sup> Jun 2020  
Amanda Young        appointed 5<sup>th</sup> Jun 2020  
Colette McInerney  
Andrew Rodgers  
Edward Marchant     appointed in Aug 2020  
Joanne Maloney      appointed 5<sup>th</sup> Jun 2020  
Margot Sweeney     resigned on 5<sup>th</sup> Jun 2020  
Peter Dowling AM    resigned on 5<sup>th</sup> Jun 2020  
David Chapman      resigned on 8<sup>th</sup> April 2020  
Samantha Guthleben (Secretary)

### **Registered charity street address and principal place of business**

Suite 303, 275 Alfred St North  
Sydney NSW 2060 Australia

### **Banker**

Westpac Banking Corporation

### **Auditor**

BDO Audit Pty Ltd (BDO)

### **ABN**

33 134 022 870

## DECLARATION OF INDEPENDENCE BY GEOFF ROONEY TO THE RESPONSIBLE ENTITIES OF CUFA LTD

As lead auditor of CUFA Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CUFA Ltd.



Geoff Rooney  
Director

**BDO Audit Pty Ltd**

Sydney

8 June 2021

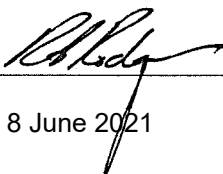
**Responsible Entities' Declaration**

The Responsible Entities declare that:

1. The financial statements and notes of CUFA Ltd are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - a. Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
  - b. Complying with Australian Accounting Standards Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.
2. There are reasonable grounds to believe that the Company is able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Responsible Entities.

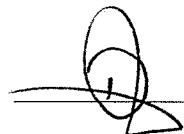
Andrew Rodgers  
Chair



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8 June 2021

Damon Jalili  
Director



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8 June 2021

**Statement of Profit or Loss and Other Comprehensive Income**

**For the year ended 30 June 2020**

	<b>Notes</b>	<b>2020</b> \$	2019 \$
<b>Revenue</b>			
Management fee income	<b>8</b>	<b>539,531</b>	610,693
Interest earned		<b>85</b>	(428)
<b>Total revenue from ordinary activities</b>		<b>539,616</b>	610,265
<b>Expenses</b>			
Personnel expenses	<b>3</b>	<b>533,039</b>	609,035
Administration expense		<b>6,492</b>	1,658
<b>Total expenses from ordinary activities</b>		<b>539,531</b>	610,693
<b>Surplus/(deficit) for the year</b>		<b>85</b>	(428)
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>85</b>	(428)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Statement of Financial Position**

**As at 30 June 2020**

	<b>Notes</b>	<b>2020</b> \$	2019 \$
<b>Current Assets</b>			
Cash and cash equivalents	<b>5</b>	<b>108,464</b>	71,796
Receivables – related party	<b>8</b>	<b>16,504</b>	48,565
Accounts receivable		<b>12,691</b>	-
<b>Total Current Assets</b>		<b>137,659</b>	120,361
<b>Liabilities</b>			
Other liabilities		<b>15,719</b>	11,557
Current Provisions	<b>6</b>	<b>65,035</b>	19,926
Non-current Provision Long service Leave	<b>6</b>	<b>50,111</b>	82,169
<b>Total Liabilities</b>		<b>130,865</b>	113,652
<b>Net Assets</b>		<b>6,794</b>	6,709
<b>Funds</b>			
Accumulated funds		<b>6,794</b>	6,709
<b>Total Funds</b>		<b>6,794</b>	6,709

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Statement of Changes in Funds**

**For the year ended 30 June 2020**

	<b>Accumulated Funds</b>	<b>Total Funds</b>
	\$	\$
Balance as at 1 July 2018	7,137	7,137
Total comprehensive loss	(428)	(428)
Balance at 30 June 2019	<u>6,709</u>	<u>6,709</u>
Balance as at 1 July 2019	<b>6,709</b>	<b>6,709</b>
Total comprehensive income	<b>85</b>	<b>85</b>
Balance at 30 June 2020	<u><b>6,794</b></u>	<u><b>6,794</b></u>

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

**Statement of Cash Flows**

**For the year ended 30 June 2020**

		<b>2020</b>	2019
		<b>\$</b>	\$
<b>Cash flows from operating activities</b>			
Management fee and interest income received		<b>558,985</b>	605,876
Administration expenses paid		<b>(522,317)</b>	(668,875)
		<hr/>	
<b>Net cash provided by/(used in) operating activities</b>	Note7	<b>36,668</b>	(62,999)
<b>Net cash provided by/(used in) investing activities</b>		-	-
<b>Net cash provided by/(used in) financing activities</b>		-	-
		<hr/>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>36,668</b>	(62,999)
		<hr/>	
<b>Cash and cash equivalents at the beginning of the year</b>		<b>71,796</b>	134,795
		<hr/>	
<b>Cash and cash equivalents at the end of the year</b>	Note7	<b>108,464</b>	<b>71,796</b>
		<hr/>	

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

## **Notes to the Financial Statements For the year ended 30 June 2020**

### **1. Significant accounting policies**

#### **General Information and Statement of Compliance**

CUFA Ltd is a not-for-profit unlisted public company limited by guarantee formed in Australia. Despite preparing General Purpose financial statements in the past, these are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and the requirements to prepare and distribute financial statements to the members of CUFA Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of CUFA Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The financial statements have been prepared on a special purpose basis and that special purpose reporting remains appropriate now and going forward. This especially needs to be the case with AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector entities and AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities.

These accounts are prepared on a non-consolidated basis and the accompanying non-consolidated financial statements include only the accounts of the Company and do not include the accounts of any of its subsidiaries (FCF and the indirect holding in SIA).

These did not result in any material change to reported net earnings and company's equity.

We have not been made aware of any breaches of laws or regulations, and we have not been made aware of facts or circumstances that would impact the registration status of Cufa Ltd as a charity or the true and fair nature of the financial statements.

The financial statements have been prepared on an accruals basis in accordance with the historical cost convention and are presented in Australian dollars ('\$') which is the Company's functional and presentation currency.

On 30 July 2019 the Company entered into a Share Sale Agreement to acquire the sole share in Foresters Community Finance Ltd for a consideration of \$1. The completion date of the agreement was 31 July 2019 from which date three Directors of this company became the majority Directors of Foresters Community Finance Ltd.

The financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Responsible Entities of the Company on May 2021.

### **2. Adoption of new and revised Accounting Standards**

In the current year, CUFA Ltd (the "Company") has adopted all of the new and revised Standards issued by the Australian Accounting Standards Board (the AASB) that are

## **Notes to the Financial Statements For the year ended 30 June 2020**

relevant to its operations and effective for the current annual reporting period. Adoption of these amended standards did not have a material financial impact on the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position or the results of operations.

The following Accounting Standards and Interpretations are most relevant to the Company.

### **AASB 16 Leases**

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### **Standards and Interpretations issued but not yet effective**

At the date of approval of the financial report, there were no Standards and Interpretations that were on issue but not yet effective that will have a significant impact on the Financial Statements of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

### **Summary of accounting policies**

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

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

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense.

The measurement bases are more fully described in the accounting policies below.

#### **b. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### **Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant

## **Notes to the Financial Statements For the year ended 30 June 2020**

impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

### Employee benefits provision

As discussed in Note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### **c. Revenue**

Revenue comprises management fee income from the labour services supplied by the Company also managed by the Company.

#### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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

### **d. Operating expenses**

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

### **e. Financial instruments**

#### **(i) Recognition, initial measurement and de-recognition**

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

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

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

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

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

## **Notes to the Financial Statements For the year ended 30 June 2020**

- amortised cost
- fair value through profit or loss (FVPL)
- fair value through other comprehensive income (FVOCI)

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

- The Company's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

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

### **(iii) Impairment of financial assets**

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### *Trade and Other Receivables*

The Company makes use of a simplified approach in accounting for trade and other receivables; it records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they

**Notes to the Financial Statements For the year ended 30 June 2020**

possess credit risk characteristics based on the days past due.

**(iv). Classification and measurement of financial liabilities**

The Company's financial liabilities include other liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**f. Income taxes**

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**g. Cash and cash equivalents**

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

**h. Provisions, contingent liabilities and contingent assets**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

**Employee benefits**

**Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the

**Notes to the Financial Statements For the year ended 30 June 2020**

estimated future cash outflows.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

**i. Deferred income**

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

**j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

<b>3. Specific expenses</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Personnel expenses comprises:		
- salaries and wages	<b>439,255</b>	506,691
- superannuation expenses	<b>43,105</b>	51,025
- employee leave provisions expense	<b>50,679</b>	51,319
Total personnel expenses	<b>533,039</b>	609,035

**4. Auditor's remuneration**

The audit of the Company is completed on a pro bono basis by BDO Audit Pty Ltd (BDO).

<b>5. Cash and cash equivalents</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Cash at bank	<b>108,464</b>	71,796

<b>6. Provisions</b>	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Current</b>		
Annual leave	<b>28,481</b>	19,926
Long service Leave	<b>36,554</b>	-
<b>Non-current</b>		
Long service leave	<b>50,111</b>	82,169
<b>Total provisions</b>	<b>115,146</b>	102,095

Notes to the Financial Statements For the year ended 30 June 2020

<b>7. Notes to cash flow</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>a. Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents	<b>108,464</b>	71,796
<b>b. Reconciliation of (deficit)/surplus from operating activities</b>		
Surplus/(Deficit) for the year	<b>85</b>	(428)
Decrease/(Increase) in other receivables	<b>19,370</b>	(4,388)
Increase/(Decrease) in other liabilities	<b>4,162</b>	(61,171)
Increase/(Decrease) in provisions	<b>13,051</b>	2,988
<b>Net cash flow provided by/ (used in) operating activities</b>	<b>36,668</b>	(62,999)

**Notes to the Financial Statements For the year ended 30 June 2020**

**8. Related party transactions**

The Company's related parties include its key management personnel and related entities.

Key Management Personnel include the Responsible Directors and the Executive Officer.

The Directors do not receive any remuneration for acting as Directors to the Company but may receive reimbursement for expenses incurred in their duties as Director.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Total Key Management Personnel Compensation	<b>202,575</b>	202,575

**Other related party transactions**

The following Directors of this Company are also Directors of Credit Union Foundation Australia which is the trustee of Credit Union Foundation Australia Trust Fund, Credit Union Relief Fund, and Australian Foundation for International Credit Union Development - International Projects (the Grahame Mehrtens International Projects Fund):

Peter Mason  
Damon Jalili  
Amanda Young  
Colette McInerney  
Andrew Rodgers  
Edward Marchant  
Joanne Maloney  
Samantha Guthleben (Secretary)

Management fees received from Australian Foundation for International Credit Union Development - International Projects (the Grahame Mehrtens International Projects Fund) of \$539,531 (2019 \$610,693).

Receivable from Australian Foundation for International Credit Union Development - International Projects (the Grahame Mehrtens International Projects Fund) of \$16,504 (2019 \$48,564).

**9. Contingencies**

Nil.

**Notes to the Financial Statements For the year ended 30 June 2020**

**10. Commitments**

**Operating lease commitments as lessee**

The Company's future minimum operating lease payments are as follows:

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
	\$	\$	\$	\$
<b>30 June 2020</b>	46,200	-	-	46,200

The property lease commitments are non-cancellable operating leases with lease terms of between one and two years.

**11. Events after the reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

## INDEPENDENT AUDITOR'S REPORT

To the members of CUFA Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of CUFA Ltd (the 'registered entity'), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of the registered entity, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Responsibilities of responsible entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**



Geoff Rooney  
Director

Sydney, 8 June 2021

**THE AUSTRALIAN FOUNDATION FOR INTERNATIONAL CREDIT UNION  
DEVELOPMENT - INTERNATIONAL PROJECTS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

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

<b>CONTENTS</b>	<b>Page No.</b>
Corporate Information	2
Auditor's Independence Declaration	3
Responsible Entities' Declaration	4
Charitable Fundraising Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Independent Auditor's Report	24

**THE AUSTRALIAN FOUNDATION FOR INTERNATIONAL CREDIT UNION  
DEVELOPMENT - INTERNATIONAL PROJECTS**

**ABN 12 217 831 154**

**Trustee Information**

The Trustee of The Australian Foundation for International Credit Union Development-International Projects (the "organization" or the "Trust") is Credit Union Foundation Australia Pty Ltd (the "organization").

**Responsible Entities**

The Responsible Entities (Directors) of the Trustee of the Australian Foundation for International Credit Union Development - International Projects were in office at the date of this report:

Peter Mason	
Damon Jalili	appointed 5 <sup>th</sup> Jun 2020
Amanda Young	appointed 5 <sup>th</sup> Jun 2020
Colette McInerney	
Andrew Rodgers	
Edward Marchant	appointed in Aug 2020
Joanne Malonley	appointed 5 <sup>th</sup> Jun 2020
Margot Sweeney	resigned on 5 <sup>th</sup> Jun 2020
Peter Dowling AM	resigned on 5 <sup>th</sup> Jun 2020
David Chapman	resigned on 8 <sup>th</sup> April 2020
Samantha Guthleben (secretary)	

**Registered charity street address and principal place of business**

Suite 303, 275 Alfred St  
North Sydney NSW 2060 Australia

**Banker**

Westpac Banking Corporation

**Auditor**

BDO Audit Pty Ltd (BDO)

**ABN**

33 134 022 870

**DECLARATION OF INDEPENDENCE BY GEOFF ROONEY TO THE RESPONSIBLE ENTITIES OF CREDIT UNION FOUNDATION AUSTRALIA PTY LTD AS TRUSTEE OF THE AUSTRALIAN FOUNDATION FOR INTERNATIONAL CREDIT UNION DEVELOPMENT - INTERNATIONAL PROJECTS**

As lead auditor of The Australian Foundation for International Credit Union Development - International Projects for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Australian Foundation for International Credit Union Development - International Projects.



**Geoff Rooney**  
**Director**

**BDO Audit Pty Ltd**

Sydney

12 March 2021

**Responsible Entities' Declaration**

The Responsible Entities (Directors) of the Trustee declare that:

1. The financial statements and notes of The Australian Foundation for International Credit Union Development - International Projects are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - a. Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
  - b. Complying with Australian Accounting Standards- Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.
2. There are reasonable grounds to believe that the registered charity is able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Trustee.



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Andrew Rodgers  
Chair 12/03/2021



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Damon Jalili  
Director of the Trustee 12/03/2021

**Charitable Fundraising Declaration**

**Declaration by the Principal Officer of Credit Union Foundation Australia**

I, Peter Mason, Executive Officer of Credit Union Foundation Australia declare that in my opinion:

1. The Statement of Profit or Loss and Other Comprehensive Income of The Australian Foundation for International Credit Union Development- International Projects for the year ended 30 June 2020 gives a true and fair view of all income and expenditure of the entity with respect to fundraising appeals;
2. The Statement of Financial Position of The Australian Foundation for International Credit Union Development- International Projects as at 30 June 2020 gives a true and fair view of the state of affairs of the entity with respect to fundraising appeals conducted by the organisation;
3. The provisions of the Charitable Fundraising Act 1991 (NSW) and the conditions attached to the authority have been complied with the organisation;
4. The internal controls exercised by the organisation are appropriated and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

**Peter Mason**  
Executive Officer

Sydney, 12 March 2021

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

**Statement of Profit or Loss and Other Comprehensive Income**

**For the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>REVENUE</b>			
<b>Donations and gifts</b>			
-Monetary	3	<b>261,266</b>	207,537
-Non-monetary	4	<b>33,591</b>	42,590
<b>Grant income</b>			
-Department of Foreign Affairs & Trade	3	<b>496,960</b>	524,665
-Overseas Grants	3	<b>499,396</b>	551,928
Interest and investment income		<b>40,108</b>	37,131
<b>TOTAL REVENUE</b>		<b><u>1,331,321</u></b>	<u>1,363,851</u>
<b>EXPENSES</b>			
<b>International Aid and Development Programs Expenditure</b>			
International programs:			
-Funds to international programs	5	<b>1,045,586</b>	1,361,137
-Administration		<b>49,698</b>	52,466
-Program support costs		<b>95,141</b>	129,700
Fundraising costs:			
-Public		<b>120,611</b>	183,843
Accountability and administration	6	-	-
Non-monetary expenditure	4	<b>33,591</b>	42,590
<b>Total International Aid and Development Programs Expenditure</b>		<b><u>1,344,627</u></b>	<u>1,769,736</u>
International political or Religious Adherence promotion programs expenditure		-	-
Domestic programs expenditure		-	-
Commercial activities expenditure		-	-
Other expenditure		-	-
<b>TOTAL EXPENDITURE</b>		<b><u>1,344,627</u></b>	<u>1,769,736</u>
<b>Deficit for the year</b>		<b><u>(13,306)</u></b>	<u>(405,885)</u>
<b>Other comprehensive income</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b><u>(13,306)</u></b>	<u>(405,885)</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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

**Statement of Financial Position**

**As at 30 June 2020**

	<b>Notes</b>	<b>2020</b> \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10(a)	<b>1,905,025</b>	1,899,850
Trade and other receivables	7	<b>84,603</b>	184,187
<b>Total Assets</b>		<b><u>1,989,628</u></b>	<u>2,084,037</u>
<b>Current Liabilities</b>			
Trade and other payables	8	<b>782,010</b>	864,164
Provisions	9	<b>34,994</b>	33,943
<b>Total Liabilities</b>		<b><u>817,004</u></b>	<u>898,107</u>
<b>Net Assets</b>		<b><u>1,172,624</u></b>	<u>1,185,930</u>
<b>Funds</b>			
Accumulated funds		<b><u>1,172,624</u></b>	<u>1,185,930</u>
<b>Total Funds</b>		<b><u>1,172,624</u></b>	<u>1,185,930</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes

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

**Statement of Changes in Funds**

**For the year ended 30 June 2020**

	<b>Accumulated Funds</b>	<b>Total Funds</b>
	\$	\$
Balance as at 1 July 2018	1,591,815	1,591,815
Total comprehensive loss	(405,885)	(405,885)
Balance as at 30 June 2019	<u>1,185,930</u>	<u>1,185,930</u>
<b>Balance as at 1 July 2019</b>	<b>1,185,930</b>	<b>1,185,930</b>
<b>Total comprehensive loss</b>	<b>(13,306)</b>	<b>(13,306)</b>
<b>Balance as at 30 June 2020</b>	<b><u>1,172,624</u></b>	<b><u>1,172,624</u></b>

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

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

**Statement of Cash Flows**

**For the year ended 30 June 2020**

	<b>Notes</b>	<b>2020</b>	2019
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Donations received		<b>134,165</b>	134,712
DFAT Grants received		<b>496,960</b>	524,664
Other Grants received		<b>499,396</b>	523,669
Funds raised for specific initiatives		<b>118,188</b>	72,825
Fundraising expenses		<b>(120,611)</b>	(183,843)
Expenditure on DFAT projects		<b>(631,942)</b>	(722,765)
Expenditure on other projects		<b>(531,089)</b>	(813,454)
<b>Net cash used in operating activities</b>	10 (b)	<b>(34,933)</b>	(464,192)
<b>Cash flows from investing activities</b>			
Interest income received		<b>40,108</b>	37,130
<b>Net cash provided by investing activities</b>		<b>40,108</b>	37,130
<b>Cash flows from financing activities</b>			
		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	11	<b>5,175</b>	(427,062)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,899,850</b>	2,326,912
<b>Cash and cash equivalents at the end of the year</b>	10(a)	<b>1,905,025</b>	1,899,850

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

**Notes to the Financial Statements  
For the year ended 30 June 2020**

**1. Adoption of new and revised Accounting Standards**

In the current year, the organisation has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

The following Accounting Standards and Interpretations are most relevant to the organisation:

**AASB 15 Revenue from Contracts with Customers**

The organisation has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

**AASB 1058 Income of Not-for-Profit Entities**

The organisation has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset,

Adoption of these amended standards did not have a material financial impact on the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position or the results of operations.

**Standards and Interpretations issued but not yet effective**

At the date of approval of the financial report, there were no Standards and Interpretations that were issued but not yet effective that will have a significant impact on the Financial Statements of the organisation.

**2. Significant accounting policies**

**General Information and Statement of Compliance**

The general purpose financial statements of the organisation have been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, the Charitable Fundraising Act 1991 (NSW), Section 15(1) and

**THE AUSTRALIAN FOUNDATION FOR INTERNATIONAL CREDIT UNION  
DEVELOPMENT - INTERNATIONAL PROJECTS**

**ABN 12 217 831 154**

15(2) of the WA Charitable Collections Act 1946 and Regulations 1947, Australian Accounting Standards - Reduced Disclosure Requirements- and other authoritative pronouncements of the Australian Accounting Standards Board.

The organisation adheres to the Australian Council for International Development (ACFID) Code of Conduct on Financial Reporting and meets the requirements set out in the ACFID Code of Conduct. The ACFID Code of Conduct prescribes the disclosure requirements of the financial statements. For further information on the Code please refer to the ACFID website [www.acfid.asn.au](http://www.acfid.asn.au).

The financial statements have been prepared on an accruals basis in accordance with the historical cost convention and are presented in Australian currency.

The financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Responsible Entities of the Trust on 12 March 2021.

**In light of changing trends and the overall economic outlook, how do you expect COVID-19 to impact your future operating results and near-and-long-term financial results?**

In light of the economic impacts of COVID 19 we anticipate a decline in corporate and individual giving, however as this is not a significant proportion of our funding we anticipate a small impact on our financial results into the future. We acknowledge that this is challenging to accurately anticipate due to the uncertainty of the long-term effects of the pandemic.

**Do you expect that COVID-19 will impact future operations differently than how it affected the current period?**

COVID 19 into 2020-21 will impact future operations from a service delivery perspective whereby Sydney Management will continue to have restricted physical access to the overseas operations. Additional monitoring mechanisms have been put in place to ameliorate this challenge.

**Notes to the Financial Statements  
For the year ended 30 June 2020**

**How has COVID-19 impacted your capital and financial resources, including your overall liquidity position and outlook?**

The impact (15% decline) has been minimal from Corporates and individual donors. It has not impacted unilateral and multilateral funding streams.

**Have COVID-19-related circumstances such as remote work arrangements adversely affected your ability to maintain operations? What if they were to recur or last for a lengthy period?**

As a part of Cufa's COVID 19 plan, processes and mechanisms were put in place to enable staff to work from home and while staff returned to the office Cufa is able to quickly switch back to staff working remotely.

**Have you experienced challenges in implementing your business continuity plans or do you foresee requiring material expenditures to do so? Do you face any material resource constraints in implementing these plans?**

The implementation of Cufa's BCP during the initial stages of COVID 19 have not incurred any material expenditures.

**Do you expect COVID-19 to materially affect the demand for your products or services?**

Cufa's services have somewhat pivoted to accommodate COVID safe practices such as mask wearing and social distancing along with a stronger focus on livelihoods due to the impact on employment in the countries where Cufa works.

**Do you anticipate a material adverse impact of COVID-19 on your supply chain or the methods used to distribute your products or services? Do you expect the anticipated impact of COVID-19 to materially change the relationship between costs and revenues?**

There has not been a material impact of COVID-19 on the methods with we undertake our projects in terms of being delivered by in country staff and will not materially change the relationship between costs and revenues.

**Will your operations be materially impacted by any constraints or other impacts on your human capital resources and productivity?**

Cufa's operations has not been materially impacted by any constraints in relation to impacts on human capital resources and their productivity.

**Are travel restrictions and border closures expected to have a material impact on your ability to operate and achieve your business goals? Is your entity exposed to material effect of COVID-19 in an overseas jurisdiction where you operate a business?**

Travel restrictions have not had a material impact on our ability to operate and achieve our business (project) goals even though we operate in overseas jurisdictions. This is due to our philosophy of training and having trained in-country personnel to operate the day to day operations.

**Has COVID-19 had a significant material effect on a related business entity (e.g. a parent, subsidiary, joint venture) and what will the effect be on your entity's financial and operational circumstances?**

COVID-19 did have a significant impact on a related business entity however the board took action early and have relocated the operations of that entity and reduced exposure to ensure that there is little impact on the entities financial and operational circumstances.

**How reliant are you on continuing government support for your operation e.g. Jobkeeper? How vulnerable are you to sudden changes in government policy such as withdrawing that support?**

Cufa did secure Job Keeper subsidies due to a 15% drop in revenues however the organisation is not reliant on these subsidies.

**Notes to the Financial Statements  
For the year ended 30 June 2020**

**Have you undertaken any scenario analysis for different possibilities facing your business? What does this tell you about your assumptions around going concern?**

The board undertook scenario analysis through the budgetary process in June 2020. Due to the mix of funding sources the board believes that its assessment of the organisation being a going concern are correct.

**Has your ability to conduct your traditional fundraising been affected? Do you anticipate you will still be able to hold fundraising events?**

The organisations ability to meet with donors on a one-to-one basis has been affected however we have not seen a dramatic drop in contributions (15%)

**Are you reliant on government or corporate grants or sponsorship that may no longer be forthcoming in a time of economic downturn?**

Cufa is reliant on government funding however we were assured of the following years funding (2020-2021) and due to the diversity of funding sources we have secured funding from other multilateral organisations for 2020-2021 and 2021-2022 financial years

**Notes to the Financial Statements  
For the year ended 30 June 2020**

**Summary of accounting policies**

**a. Overall considerations**

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

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

**b. Revenue**

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

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the organisation's different activities have been met. Details of the activity-specific recognition criteria are described below.

The organisation's services are supported by grants received from the government. If conditions are attached to a grant which must be satisfied before the Organisation is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

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

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

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

Revenue from donations, fundraising and other grants is recognised upon receipt. This includes non-monetary volunteer hours in providing project services which are capable of reliable measurement and the fair value can be reasonably determined. This has been recorded in the Statement of Profit or Loss and Other Comprehensive Income.

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

**c. Operating Expenses**

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

**Notes to the Financial Statements  
For the year ended 30 June 2020**

**d. Operating leases**

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

**e. Financial instruments**

**(i) Recognition, initial measurement and de-recognition**

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

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

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

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

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

- amortised cost
- fair value through profit or loss (FVPL)
- fair value through other comprehensive income (FVOCI)

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

Classifications are determined by both:

- The Organisation's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

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

**(iii) Impairment of financial assets**

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

**Notes to the Financial Statements  
For the year ended 30 June 2020**

The Organisation considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

*Trade and Other Receivables*

The Organisation makes use of a simplified approach in accounting for trade and other receivables; it records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Organisation uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The organisation assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

**(iv) Classification and measurement of financial liabilities**

As the accounting for financial liabilities remains largely unchanged from AASB 139, the organisation's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The organisation's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the organisation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**Notes to the Financial Statements  
For the year ended 30 June 2020**

**f. Income taxes**

No provision for income tax has been raised as the organisation is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**g. Cash and cash equivalents**

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

**h. Provisions, contingent liabilities and contingent assets**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the organisation can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

**i. Deferred income**

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

**j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

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

**Notes to the Financial Statements  
For the year ended 30 June 2020**

**k. Economic dependence**

The organisation is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

	<b>2020</b>	2019
	\$	\$
<b>3. Revenue from ordinary activities</b>		
<b>Donations and gifts – monetary</b>		
Other Australian donations	<b>114,454</b>	69,176
Children’s financial literacy-Cambodia	<b>56,227</b>	57,000
Village Entrepreneur Program	<b>57,530</b>	69,328
Other funds	<b>33,055</b>	12,033
Total donations and gifts - monetary	<b>261,266</b>	207,537
<b>Grant income</b>		
Department of Foreign Affairs & Trade	<b>496,960</b>	524,665
Other overseas grants	<b>499,396</b>	551,928
Total grant income	<b>996,356</b>	1,076,593
Total revenue from ordinary activities	<b>1,257,622</b>	1,284,130
<b>4. Other project services (non-monetary)</b>		
Volunteer services	<b>33,591</b>	42,590
Total other project services	<b>33,591</b>	42,590

Volunteer services are recognized on the basis of time spent and represents 467 hours (2019: 707 hours).

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

**Notes to the Financial Statements  
For the year ended 30 June 2020**

<b>5.</b>	<b>Funds to international programs</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
	Funds to overseas projects:		
	DFAT projects	<b>487,104</b>	540,598
	Financial Literacy Program	<b>53,649</b>	57,000
	Cambodia VPSP Project	<b>7,739</b>	29,961
	O&M	-	17,617
	Integration Financial Education in Cam School	<b>34,255</b>	-
	Job training Placement	-	1,883
	Exit Strategic Workshop	-	26,587
	Assessing the Human Right Situation	<b>42,307</b>	-
	Devl Cont and Cond Capa MSME	<b>29,595</b>	-
	Vocational Training Program	-	38,296
	Strengthening the transition of Vulnerable Communities Affected by the Malolos Clark railway	<b>298</b>	-
	Kyrgyzstan Project	<b>37,193</b>	264,064
	LEED Project	-	32,645
	SRIR Project	<b>155</b>	53,302
	Women Empower Project	-	92,659
	Village Entrepreneur	<b>71,981</b>	63,795
	Board Education and Familiarization	<b>35,802</b>	18,256
	Oceanic Confederation of Credit Union Leagues	<b>10,690</b>	21,804
	Other projects	<b>234,818</b>	102,670
	Total funds to international programs	<b>1,045,586</b>	1,361,137
<b>6.</b>	<b>Accountability and administration</b>		
	The audit of the organisation is performed on a pro bono basis by BDO Audit Pty Ltd (BDO)		
<b>7.</b>	<b>Trade and other receivables</b>		
	Receivables from Cufa Ltd	6,710	2,336
	Receivables	9,276	86,635
	Security deposits	27,043	29,738
	Prepayments	41,574	65,478
	Total trade and other receivables	<b>84,603</b>	<b>184,187</b>
<b>8.</b>	<b>Trade and other payables</b>		
	Trade creditors	<b>3,025</b>	8,192
	Accrued expenses	-	45,230
	Payable to Credit Union Foundation Australia	<b>762,481</b>	762,177
	Payable to CUFA Ltd	<b>16,504</b>	48,565
	Total trade and other payables	<b>782,010</b>	864,164

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

**Notes to the Financial Statements  
For the year ended 30 June 2020**

<b>9.</b>	<b>Provision Current</b>	<b>2020</b>	2019
		\$	\$
	Annual leave	30,094	30,021
	Long service leave	4,900	3,922
	<b>Total provisions</b>	<b>34,994</b>	<b>33,943</b>
<b>10.</b>	<b>Notes to cash flow</b>	<b>2020</b>	2019
		\$	\$
	<b>Reconciliation of cash and cash</b>		
	<b>a. equivalents</b>		
	- Cash at bank	<b>1,887,765</b>	1,895,207
	- Cash on hand	<b>17,261</b>	4,643
	Total cash and cash equivalents	<b>1,905,025</b>	<b>1,899,850</b>
	<b>b. Reconciliation of cash flow from</b>		
	<b>operations with operating deficit</b>		
	Operating deficit of the year	<b>(13,306)</b>	(405,885)
	Non-operating items:		
	Less: investment income	<b>(40,108)</b>	(37,131)
	Movements in assets and liabilities:		
	Decrease/(increase) in trade and other receivables	<b>99,584</b>	(28,257)
	(Decrease)/Increase in trade and other payables	<b>(82,154)</b>	18,145
	Increase/(Decrease) in provisions	<b>1,051</b>	(11,064)
	<b>Net cash used in operating activities</b>	<b>(34,933)</b>	<b>(464,192)</b>

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

**Notes to the Financial Statements  
For the year ended 30 June 2020**

<b>11.</b>	<b>Table of cash movements for designated purposes</b>			
<b>2020</b>	<b>Cash available at 30 June 2019</b>	<b>Cash raised during FY19/20</b>	<b>Cash disbursed during FY19/20</b>	<b>Cash available at 30 June 2020</b>
<b>Purpose</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>64,800</b>	-	-	<b>64,800</b>
Pacific Congress				
Cambodia Children's Financial Literacy	<b>(37,782)</b>	<b>53,649</b>	<b>(53,649)</b>	<b>(37,782)</b>
Leadership-ASIA	<b>60,471</b>	-	-	<b>60,471</b>
Oceanic Confederation of Credit Union Leagues	<b>(89,072)</b>	-	<b>(10,690)</b>	<b>(99,762)</b>
Leadership PACIFIC	<b>18,943</b>	-	-	<b>18,943</b>
Fundraising Asia	<b>95,101</b>	-	-	<b>95,101</b>
Australian Council for International Development	<b>(103,167)</b>	-	<b>(6,471)</b>	<b>(109,638)</b>
Bougainville Youth Project	<b>(11,666)</b>	-	-	<b>(11,666)</b>
Cam - SRIRI Project	<b>129,902</b>	-	<b>(155)</b>	<b>129,747</b>
Women Empower Project	<b>1,795</b>	-	-	<b>1,795</b>
Village Entrepreneur	<b>12,573</b>	<b>61,791</b>	<b>(71,981)</b>	<b>2,383</b>
Cambodia - VPSP	<b>108,599</b>	<b>26,016</b>	<b>(7,739)</b>	<b>126,876</b>
Reflection Workshop Project	<b>(1,582)</b>	-	-	<b>(1,582)</b>
Skill Intern Exchange	<b>(531)</b>	-	-	<b>(531)</b>
Exit Strategy workshop	<b>(259)</b>	-	-	<b>(259)</b>
Vocational train pro	<b>(38,296)</b>	-	-	<b>(38,296)</b>
Cambodia-O&M	<b>(44,033)</b>	-	-	<b>(44,033)</b>
Cambodia-LEED Project	<b>(2,350)</b>	-	-	<b>(2,350)</b>
Cambodia-SEED	<b>6,042</b>	-	-	<b>6,042</b>
Integrating Financial Education	-	<b>53,103</b>	<b>(34,255)</b>	<b>18,848</b>
Devl Cont and Con	-	<b>42,358</b>	<b>(29,595)</b>	<b>12,763</b>
Assessing the Human Right	-	<b>129,901</b>	<b>(42,307)</b>	<b>87,594</b>
General accumulated funds	<b>1,928,437</b>	<b>498,218</b>	<b>(813,843)</b>	<b>1,612,812</b>
<b>Total</b>	<b>1,899,850</b>	<b>1,113,052</b>	<b>(1,107,878)</b>	<b>1,905,025</b>
Net cash flow by designated purpose for the year(Refer to the Statement of Cash Flows)				<b><u>5,175</u></b>

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

**Notes to the Financial Statements  
For the year ended 30 June 2020**

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

<b>2019 Purpose</b>	<b>Cash available at 30 June 2018 \$</b>	<b>Cash raised during 2018/2019 \$</b>	<b>Cash disbursed during 2018/2019 \$</b>	<b>Cash available at 30 June 2019 \$</b>
Pacific Congress	64,800	-	-	64,800
Cambodia Children's Financial Literacy	(37,782)	57,000	(57,000)	(37,782)
Leadership-ASIA	60,471	-	-	60,471
Oceanic Confederation of Credit Union Leagues	(67,268)	-	(21,804)	(89,072)
Leadership-PACIFIC	18,943	-	-	18,943
Fundraising Asia	95,101	-	-	95,101
Australian Council for International Development	(96,785)	-	(6,382)	(103,167)
Kyrgyzstan Project	-	65,989	(264,064)	(198,075)
Bougainville Youth Project	(11,666)	-	-	(11,666)
Cam-SRIRI Project	28,358	154,847	(53,303)	129,902
Women Empower Project	-	94,454	(92,659)	1,795
Village Entrepreneur	6,990	69,378	(63,795)	12,573
Cambodia - VPSP	(14,507)	153,067	(29,961)	108,599
Reflect Workshop Project	(1,582)	-	-	(1,582)
Skill Intern Exchange Program	(531)	-	-	(531)
Exit strategy workshop	-	26,328	(26,587)	(259)
Vocational training pro	-	-	(38,296)	(38,296)
Cambodia - O&M	(83,655)	57,239	(17,617)	(44,033)
Cambodia - LEED Project	30,295	-	(32,645)	(2,350)
Cambodia - SEED	6,042	-	-	6,042
General Accumulated Funds	2,329,688	414,474	(815,725)	1,928,437
<b>Total</b>	<b>2,326,912</b>	<b>1,092,776</b>	<b>(1,519,838)</b>	<b>1,899,850</b>

Net cash flow by designated purpose for the year(Refer to the Statement of Cash Flows) (427,062)

**Notes to the Financial Statements  
For the year ended 30 June 2020**

**12. Related party disclosures**

**Key Management Personnel**

Related parties include Key Management Personnel being the Director of the Trustee. Directors are appointed on an honorary basis and are re-imbursed for expenses incurred on behalf of the Foundation.

The compensation of the specified Directors was nil (2019:nil)

**13. Subsequent events**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the organisation's operations, the results of those operations, or the organisation's state of affairs in future financial year

**14. Contingent liabilities**

Nil.

**15. Additional information**

The Australian Foundation for International Credit Union Development - International Projects is a trust formed in Australia.

## INDEPENDENT AUDITOR'S REPORT

To the members of The Australian Foundation for International Credit Union Development - International Projects

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The Australian Foundation for International Credit Union Development - International Projects (the "Organisation"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of the Organisation, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is



necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

*BDO*  
*G Rooney*

Geoff Rooney  
Director

Sydney, 12 March 2021

**CREDIT UNION FOUNDATION AUSTRALIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

# Credit Union Foundation Australia

<b>CONTENTS</b>	<b>Page No.</b>
Trustee Information	2
Auditor's Independence Declaration	3
Responsible Entities (Trustees ' ) Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Independent Auditor's Report	15

## **Credit Union Foundation Australia**

### **Trustee Information**

The Trustee of Credit Union Foundation Australia is Credit Union Foundation Australia Pty Limited.

### **Responsible Entities**

The Responsible Entities (Directors) of the Trustee of Credit Union Foundation Australia were in office at the date of this report:

Peter Mason  
Damon Jalili            appointed 5<sup>th</sup> Jun 2020  
Amanda Young        appointed 5<sup>th</sup> Jun 2020  
Colette McInerney  
Andrew Rodgers  
Edward Marchant     appointed in Aug 2020  
Joanne Maloney      appointed 5<sup>th</sup> Jun 2020  
Margot Sweeney     resigned on 5<sup>th</sup> Jun 2020  
Peter Dowling AM    resigned on 5<sup>th</sup> Jun 2020  
David Chapman      resigned on 8<sup>th</sup> April 2020  
Samantha Guthleben (Secretary)

### **Registered office and principal place of business**

Suite 303, 275 Alfred St  
North Sydney NSW 2060  
Australia

### **Banker**

Westpac Banking Corporation

### **Auditor**

BDO Audit Pty Ltd (BDO)

### **ABN**

33 134 022 870

**DECLARATION OF INDEPENDENCE BY GEOFF ROONEY TO THE RESPONSIBLE ENTITIES OF CREDIT UNION FOUNDATION PTY LIMITED AS TRUSTEE OF CREDIT UNION FOUNDATION AUSTRALIA**

As lead auditor of Credit Union Foundation Australia for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Credit Union Foundation Australia.

*G Rooney*

Geoff Rooney  
Director

**BDO Audit Pty Ltd**

Sydney

12 March 2021

## Credit Union Foundation Australia

### Trustee's Declaration

### Responsible Entities' (Trustees') Declaration

The Responsible Entities of the Trustee declares that:

1. The financial statements and notes of Credit Union Foundation Australia are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - a. Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
  - b. Complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.
2. There are reasonable grounds to believe that the Trust is able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Trustees.



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Andrew Rodgers  
Chair 12/03/2021



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Damon Jalili  
Director of the Trustee 12/03/2021

**Credit Union Foundation Australia**

**Statement of Profit or Loss and Other Comprehensive Income**

**For the year ended 30 June 2020**

	<b>Notes</b>	<b>2020</b> <b>\$</b>	<b>2019</b> <b>\$</b>
<b>Revenue</b>			
Interest income -	<b>6</b>	<b>303</b>	17,516
<b>Total revenue from ordinary activities</b>		<b>303</b>	17,516
<b>Expenses</b>		-	-
<b>Total expenses from ordinary activities</b>		-	-
<b>Surplus for the year</b>		<b>303</b>	17,516
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>303</b>	17,516

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

## Credit Union Foundation Australia

### Statement of Financial Position

As at 30 June 2020

	Notes	2020 \$	Restated 2019 \$
<b>Non-Current Assets</b>			
Other receivables	4&10	<b>762,480</b>	762,177
<b>Total non-current assets</b>		<b>762,480</b>	762,177
<b>Current Liabilities</b>			
<b>Total current liabilities</b>		-	-
<b>Net Assets</b>		<b>762,480</b>	762,177
<b>Funds</b>			
Accumulated funds		<b>542,432</b>	542,129
Jack Ross Memorial Trust	10	<b>63,609</b>	63,609
Reserve - Steve Birt Endowment Fund		<b>156,439</b>	156,439
<b>Total Funds</b>		<b>762,480</b>	762,177

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## Credit Union Foundation Australia

### Statement of Changes in Funds

For the year ended 30 June 2020

		Accumulated Funds	Reserve Steve - Birt Endowment Fund	Restated Jack Ross Memorial Trust	Restated Total Funds
	Notes	\$	\$	\$	\$
Balance as at 1 July 2018		524,613	156,439	-	681,052
Fund received	10			63,609	63,609
Total comprehensive income		17,516		-	17,516
Balance as at 30 June 2019		542,129	156,439	63,609	762,177
Balance as at 1 July 2019		<b>542,129</b>	<b>156,439</b>	<b>63,609</b>	<b>762,177</b>
Total comprehensive income		<b>303</b>		-	<b>303</b>
<b>Balance as at 30 June 2020</b>		<b>542,432</b>	<b>156,439</b>	<b>63,609</b>	<b>762,480</b>

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

**Credit Union Foundation Australia**

**Statement of Cash Flows**

**For the year ended 30 June 2020**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>		-	-
<b>Cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>	5 (b)	-	-
<b>Cash and cash equivalents at the beginning of the year</b>		-	-
<b>Cash and cash equivalents at the end of the year</b>	5 (a)	-	-

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

## **Credit Union Foundation Australia**

### **Notes to the Financial Statements For the year ended 30 June 2020**

#### **1 Adoption of new and revised Accounting Standards**

In the current year, Credit Union Foundation Australia (the "Trust") has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Adoption of these amended standards did not have a material financial impact on the financial statements or the results of operations.

#### **Standards and Interpretations issued but not yet effective**

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

#### **2 Significant accounting policies**

##### **General information and statement of compliance**

The general purpose financial statements of the Trust have been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements- and other authoritative pronouncements of the Australian Accounting Standards Board and in accordance with the requirements of the Trust Deed.

The financial statements for the year ended 30 June 2020 were approved and authorized for issue by the Board of Directors of the Trust on 12 March 2021.

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

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

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

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

###### **Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Trust based on known information. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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

Revenue comprises revenue from government grants, donations, bequests and fundraising activities.

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

## **Credit Union Foundation Australia**

### **Notes to the Financial Statements For the year ended 30 June 2020**

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Trust's different activities have been met. Details of the activity-specific recognition criteria are described below.

#### **c. Financial instruments**

##### **(i) Recognition, initial measurement and de-recognition**

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

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

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

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

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

- amortised cost
- fair value through profit or loss (FVPL)
- fair value through other comprehensive income (FVOCI)

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

Classifications are determined by both:

- The Trust's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

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

##### **(iii) Impairment of financial assets**

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Trust considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

## Credit Union Foundation Australia

### Notes to the Financial Statements For the year ended 30 June 2020

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### *Trade and Other Receivables*

The Trust makes use of a simplified approach in accounting for trade and other receivables; it records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Trust uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Trust assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

#### **(iv) Classification and measurement of financial liabilities**

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Trust's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Trust's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Trust designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### **d. Income taxes**

No provision for income tax has been raised as the Trust is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997 (Cth)*.

#### **e. Cash and cash equivalents**

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

## Credit Union Foundation Australia

### Notes to the Financial Statements For the year ended 30 June 2020

#### f. Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

#### g. Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

#### h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

	2020	2019
	\$	\$
<b>3. Administration expenses</b>		
The audit of the Trust is completed on a pro bono basis by BDO Audit Pty Ltd (BDO).		
<b>4. Other receivables</b>		
Receivable from The Australian Foundation for International Credit Union development – International Projects Fund	<b>762,480</b>	762,177
Total other receivables	<b><u>762,480</u></b>	<u>762,177</u>

The receivable is carried as a non-current receivable as it is not expected to be called in the next twelve months.

## Credit Union Foundation Australia

### Notes to the Financial Statements For the year ended 30 June 2020

	2020	2019
	\$	\$
<b>5. Notes to cash flow</b>		
<b>a. Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents	-	-
<b>b. Reconciliation of surplus from operating activities</b>		
Surplus for the year	<b>303</b>	17,516
Increase in other receivables	<b>(303)</b>	(17,516)
Increase in other liabilities	-	-
<b>Net cash flow from operating activities</b>	<b>-</b>	<b>-</b>

## 6. Related party transactions

### Other related party transactions

The receivable at Note 4 is from Australian Foundation for International Credit Union Development - International Projects (the Grahame Mehrtens International Projects Fund) whose trustee is also the trustee of this trust.

There are no documented terms to the receivable from Australian Foundation for International Credit Union Development - International Projects (the Grahame Mehrtens International Projects Fund) and the amount remains at call.

Interest receivable of \$302.26 (2019 \$17,516) was recorded in the Statement of Profit or Loss and arises from the receivable from Australian Foundation for International Credit Union Development - International Projects (the Grahame Mehrtens International Projects Fund).

## 7. Subsequent events

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Trust's operations, the results of those operations, or the Trust's state of affairs in future financial year.

## 8. Commitments

Nil.

## 9. Contingencies

Nil.

**Credit Union Foundation Australia**

**Notes to the Financial Statements  
For the year ended 30 June 2020**

**10. Correction of errors**

During 2019, Jack Ross funds had been erroneously omitted from the financial statement. The errors have been corrected by restating each of the affected financial statement line items for prior periods.

The following table summarises the impact on the Trust's financial statements.

**i) Statement of Financial Position**

<i>30 Jun 2019</i>	<b>Impact of correction of error</b>		
	<b>As previously reported</b>	<b>Adjustments</b>	<b>As restated</b>
Other receivables	698,568	63,609	762,177
Fund: Jack Ross Memorial Trust	-	(63,609)	(63,609)

## INDEPENDENT AUDITOR'S REPORT

To the members of Credit Union Foundation Australia

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of of Credit Union Foundation Australia (the "Trust"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of the Trust, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.



In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

*BDO*  
*G Rooney*

Geoff Rooney  
Director

Sydney, 12 March 2021

**CREDIT UNION RELIEF FUND  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

<b>CONTENTS</b>	<b>Page No.</b>
Corporate Information	1
Auditor's Independence Declaration	2
Independent Auditor's Report	3
Responsible Entities' Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

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

**Trustee Information**

The Trustee of the Credit Union Relief Fund is Credit Union Foundation Australia Pty Limited.

**Responsible Entities**

The Responsible Entities (Directors) of the Trustee of Credit Union Relief Fund were in office at the date of this report:

Peter Mason	
Damon Jalili	appointed 5 <sup>th</sup> Jun 2020
Amanda Young	appointed 5 <sup>th</sup> Jun 2020
Colette McInerney	
Andrew Rodgers	
Edward Marchant	appointed in Aug 2020
Joanne Maloney	appointed 5 <sup>th</sup> Jun 2020
Margot Sweeney	resigned on 5 <sup>th</sup> Jun 2020
Peter Dowling AM	resigned on 5 <sup>th</sup> Jun 2020
David Chapman	resigned on 8 <sup>th</sup> April 2020
Samantha Guthleben	
(Secretary)	

**Registered charity street address and principal place of business**

Suite 303, 275 Alfred St  
North Sydney NSW 2060  
Australia

**Banker**

Westpac Banking Corporation

**Auditor**

BDO Audit Pty Ltd (BDO)

**ABN**

33 134 022 870

**DECLARATION OF INDEPENDENCE BY GEOFF ROONEY TO THE RESPONSIBLE ENTITIES OF CREDIT UNION FOUNDATION AUSTRALIA PTY LIMITED AS TRUSTEE OF CREDIT UNION RELIEF FUND**

As lead auditor of Credit Union Relief Fund for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Credit Union Relief Fund.

*G Rooney*

Geoff Rooney  
Director

**BDO Audit Pty Ltd**

Sydney

12 March 2021

## INDEPENDENT AUDITOR'S REPORT

To the members of Credit Union Relief Fund

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Credit Union Relief Fund (the "Trust"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of the Trust, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.



In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

*BDO*  
*G Rooney*

Geoff Rooney  
Director

Sydney, 12 March 2021

## **Responsible Entities' Declaration**

The Responsible Entities' (Directors) of the Trustee declares that:

1. The financial statements and notes of The Credit Union Relief Fund are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - a. Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
  - b. Complying with Australian Accounting Standards – reduced disclosure requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.
2. There are reasonable grounds to believe that the Trust is able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



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Andrew Rodgers  
Chair 12/03/2021



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Damon Jalili  
Director of the Trustee 12/03/2021

**Statement of Profit or Loss and Other Comprehensive Income**

**For the year ended 30 June 2020**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
<b>Total revenue from ordinary activities</b>	<u>-</u>	<u>-</u>
<b>Expenses</b>		
<b>Total expenses from ordinary activities</b>	<u>-</u>	<u>-</u>
<b>Surplus/(deficit) for the period</b>	<u>-</u>	<u>-</u>
<b>Other Comprehensive Income for the period</b>	<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the period</b>	<u>-</u>	<u>-</u>

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

**Statement of Financial Position**

**As at 30 June 2020**

	<b>2020</b>	2019
	<b>\$</b>	\$
<b>Current Assets</b>		
Cash and cash equivalents	<b>103</b>	103
<b>Total Current Assets</b>	<b>103</b>	103
<b>Net Assets</b>	<b>103</b>	103
<b>Funds</b>		
Accumulated funds	<b>103</b>	103
<b>Total Funds</b>	<b>103</b>	103

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Statement of Changes in Funds**

**For the year ended 30 June 2020**

	<b>Accumulated Funds</b>	<b>Total Funds</b>
	<b>\$</b>	<b>\$</b>
Balance as at 1 July 2018	103	103
Total comprehensive income	-	-
Balance at 30 Jun 2019	<u>103</u>	<u>103</u>
Balance as at 1 July 2019	<b>103</b>	<b>103</b>
Total comprehensive income	-	-
Balance as at 30 June 2020	<u><b>103</b></u>	<u><b>103</b></u>

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

**Statement of Cash Flows**

**For the year ended 30 June 2020**

	<b>Note</b>	<b>2020</b> <b>\$</b>	<b>2019</b>
<b>Net cash provided by/(used in) Operating activities</b>		-	-
<b>Net cash provided by/(used in) Investing activities</b>		-	-
<b>Net cash provided by/(used in) Financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		-	-
<b>Cash and cash equivalents at the beginning of the year</b>		<b>103</b>	103
<b>Cash and cash equivalents at the end of the year</b>		<b>103</b>	103

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

**Notes to the Financial Statements**  
**For the financial year ended 30 June 2020**

**1. Adoption of new and revised Accounting Standards**

In the current year, the Credit Union Relief Fund (the "Fund" or the "Trust") has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Adoption of these amended standards did not have a material financial impact on the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position or the results of operations.

**Standards and Interpretations issued but not yet effective**

At the date of approval of the financial report, there were no Standards and Interpretations that were on issue but not yet effective that will have a significant impact on the Financial Statements of the Fund.

**2. Significant accounting policies**

**General Information and Statement of Compliance**

The general purpose financial statements of the Trust have been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards- Reduced Disclosure Requirements- and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Board of Directors of the Trust on 12 March 2021.

**Summary of accounting policies**

**a. Overall considerations**

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

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

**b. Revenue**

Revenue comprises revenue from the sale of goods, government grants, fundraising activities and client contributions.

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

**Notes to the Financial Statements**  
**For the financial year ended 30 June 2020**

**b. Revenue (continued)**

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Trust's different activities have been met. Details of the activity-specific recognition criteria are described below.

**(i) Interest income**

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

**c. Operating expenses**

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

**d. Financial instruments**

**(i) Recognition, initial measurement and de-recognition**

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

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

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

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

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

- amortised cost
- fair value through profit or loss (FVPL)
- fair value through other comprehensive income (FVOCI)

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

Classifications are determined by both:

- The Trust's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

**Notes to the Financial Statements**  
**For the financial year ended 30 June 2020**

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

**(iii) Impairment of financial assets**

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Trust considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

*Trade and Other Receivables*

The Trust makes use of a simplified approach in accounting for trade and other receivables; it records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Trust uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Trust assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

**(iv) Classification and measurement of financial liabilities**

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Trust's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Trust's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Trust designated a financial liability at fair value through profit or loss.

**Notes to the Financial Statements**  
**For the financial year ended 30 June 2020**

Subsequently, financial liabilities are measured at amortised cost using the effective interest.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**e. Income taxes**

No provision for income tax has been raised as the Trust is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

**f. Cash and cash equivalents**

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

**g. Provisions, contingent liabilities and contingent assets**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Trust can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

**h. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

**Notes to the Financial Statements**  
**For the financial year ended 30 June 2020**

**3. Auditor's remuneration**

The audit of the Trust is completed on a pro bono basis by BDO Audit Pty Ltd (BDO).

**4. Related party disclosures**

The Trust's related parties include directors of the Trustee.

Nil related party transactions.

**5. Subsequent events**

The impact of the Coronavirus (COVID-19) pandemic is ongoing, and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Trust's operations, The results of those operations, or the Trust's state of affairs in future financial year.

**6. Commitments**

Nil.

**7. Contingencies**

Nil.

**8. Additional information**

Credit Union Relief Fund is a trust formed in Australia.

The logo for CUFA, featuring the letters 'C', 'U', and 'F' in a stylized, overlapping font. The 'C' is yellow, 'U' is orange, and 'F' is red. The 'A' is a simple red shape.

# CUFA

A young girl with dark hair, wearing a pink and white long-sleeved shirt, is holding a large, shiny, golden piggy bank. She is looking directly at the camera with a slight smile. The background is a cluttered indoor space, possibly a workshop or a store, with various items on shelves and a woven basket visible.

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