



**Cufa**

**Annual Report**

2018-19

CREATING INFINITE VALUE

[www.cufa.org.au](http://www.cufa.org.au)





We are pleased to present our 2018-19 Annual Report. This report provides an overview of our work undertaken during the financial year, our achievements and impact as well as our financial performance. We would like to thank our wonderful and passionate supporters who have helped make this year a positive one of empowering change in Asia-Pacific.



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ACFID  
MEMBER

**Australian  
Aid** 



**Australian Government**  
Department of Foreign Affairs and Trade

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.

# MESSAGE FROM THE CHAIR

MARGOT SWEENY



This year Cufa can again be proud in its achievement as it continues to Create Infinite Value through its many programs operating across Asia-Pacific.

We are committed to breaking the poverty cycle and in this report you will read more than financials, we share with you inspiring stories of people whose lives have been transformed through empowerment, empowerment tools delivered through our 4 core pillars: Financial Education, Employment, Social and Micro-Enterprise development and Economic Institutions (community financial institutions) providing financial inclusion, the backbone to our programs.

At Cufa's Board level, I would like to extend a warm welcome to our new Board members, Andrew Rodgers who was appointed in December 2018 and most recently Ted Marchant who was appointed in August 2019. Both bring diverse executive skills and experience to the table to propel Cufa forward through creating new relationships and business opportunities.

I am excited with what the next year will bring where a vital part of our strategy will be to pursue and secure strong partnerships with those where our goals and approach align. Only together, with supportive partners, can we build our resources and capacity to address societal issues and produce powerful outcomes.

Finally, thank you to my fellow Board members for their ongoing support during this year, and to our partners within the Australian Government – DFAT and Australia Aid, ADB, Governments, our corporate partners, our staff and the public, as we work collaboratively towards the same goal: to alleviate poverty.

Margot Sweeny, OAM





# MESSAGE FROM THE CEO

DR PETER MASON



As we near 50 years of operation, (though still 2 years away), I reflect on what we have been able to achieve with the support of our vital partners. To date, we have been able to deliver positive outcomes in over 27 countries, impacting over 37 million people, young and old, an achievement we can feel proud of however we still have a long way to go to alleviate poverty.

This year, through the ongoing rollout of our Village Entrepreneur, Children's Financial Literacy and Credit Union Development programs, we continued to empower individuals, families and communities, to improve their livelihoods and local economies and create a sustainable future for themselves and future generations.

In addition to these established programs we share with you in this report the results of some of our achievements including my personal highlights: our Kyrgyz Republic Project; the exciting launch of our Recycling Plastics Livelihoods Project; adaption and implementation of our bespoke Financial Literacy app in Myanmar and the launch of our podcast platform - Conversations in Development.

I'm looking forward to the coming year as we have new projects across Asia-Pacific to implement and more in the pipeline but we can only continue this work with ongoing support from old and new partners – the Australian Government, the private sector and individuals.

I look forward to another year of working together with our supporters, staff, partners and the local communities to empower the vulnerable people in these communities to be able to change their lives for the better.

Dr Peter Mason

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



# WHO WE ARE

Cufa is an Australian international development agency committed to alleviating poverty and creating infinite value across Asia-Pacific. We support the United Nations Sustainable Development Goals to be achieved by 2030. The United Nations has singled out financial inclusion as a key goal of its 2020 priorities. Since its inception in 1971, Cufa has been working with communities and partners to address financial inclusion through education in financial literacy and the development of village savings banks.

Many people and families living in poor communities throughout the Asia Pacific region live on less than \$2 a day. This money needs to cover what we would refer to as standard living expenses such as basic food, shelter, clothing, clean water; transport, access to children's education, medicine and health care. As you can envisage, \$2 doesn't stretch far and impacts a family's ability to obtain adequate medical attention; access education; and provide adequate food and sanitary living conditions.

Cufa's philosophy is to provide a hand-up not a hand-out. We create infinite value by working to provide the skills, knowledge, resources and support so that the poor and disadvantaged can break the poverty cycle themselves and build a sustainable future for themselves and future generations.

## Our Mission



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

## Our Vision



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.

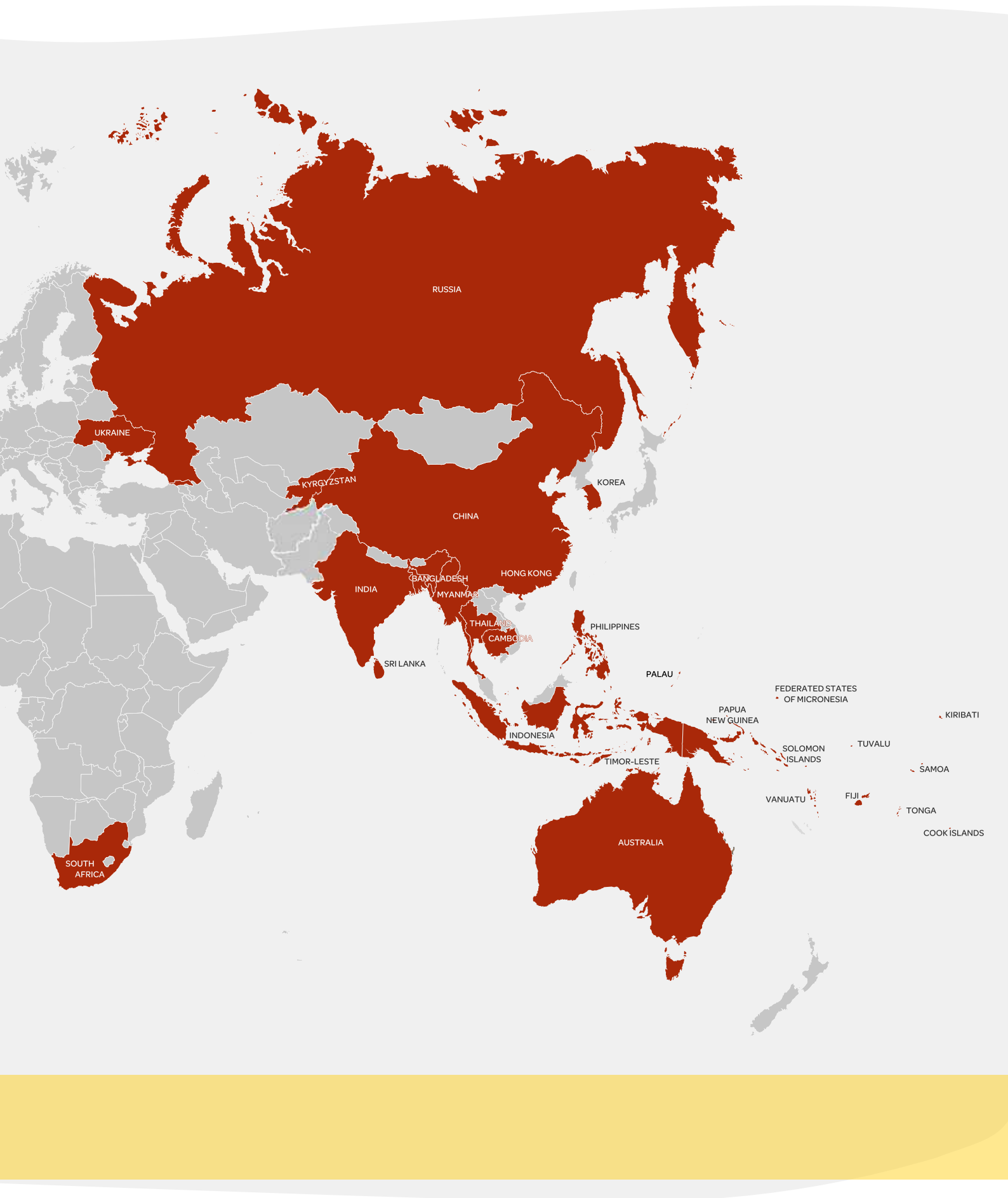


# WHERE WE WORK

Australia  
Bangladesh  
Cambodia  
Cook Islands  
Fiji  
FSM  
Hong Kong  
India  
Indonesia  
Kiribati  
Korea  
Kyrgyzstan  
Myanmar  
Palau  
Papua New Guinea  
Philippines  
Russia  
Samoa  
Solomon Islands  
South Africa  
Sri Lanka  
Thailand  
Timor-Leste  
Tonga  
Tuvalu  
Ukraine  
Vanuatu



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.



RUSSIA

UKRAINE

KYRGYZSTAN

KOREA

CHINA

INDIA

BANGLADESH

MYANMAR

HONG KONG

THAILAND

CAMBODIA

PHILIPPINES

SRI LANKA

PALAU

FEDERATED STATES OF MICRONESIA

PAPUA NEW GUINEA

KIRIBATI

INDONESIA

TUVALU

TIMOR-LESTE

SOLOMON ISLANDS

SAMOA

SOUTH AFRICA

AUSTRALIA

FIJI

TONGA

COOK ISLANDS

# OUR IMPACT

# 130,000

children have received financial literacy education

over **10** years



EDUCATION

worked with locals, communities and governments across

# 27

countries

# 3,000,000

females received training

over **15** years

ENTERPRISE



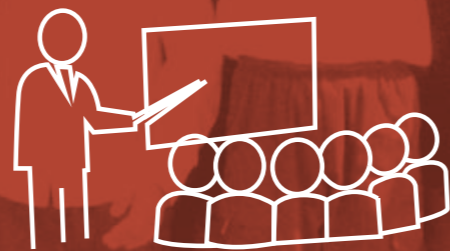
# 16,756

youths in PNG

over **2** years

have been trained to improve employment opportunities

EMPLOYMENT



partnered with

# 4,923

financial institutions since **2005** to achieve greater financial inclusion

ECONOMIC INSTITUTIONS



over **15** years

# 6,300,000

people directly impacted

# 31,093,538

people indirectly impacted





For every **\$1** of donor funding invested **\$12.33** of value in Asia-Pacific is created by our development programs.

# OUR WORK

Our experience of nearly 50 years of working with the most disadvantaged communities to break the poverty cycle, has shown that a focus on economic programs engenders dignity and ensures self-determination. As a result, Cufa's work focuses on economic empowerment and fundamental to enabling this is Cufa's four pillars core to its programs:



## Education

financial literacy education at all ages, particularly young children; and building business knowledge, tools and skills.



## Economic Institution

developing community-run and owned savings banks.



## Enterprise

training and supporting people in poverty to set-up and grow micro-enterprises to sustainability.



## Employment

training and upskilling people in areas that will assist with their careers.

We work in partnership with local communities, community leaders and Governments. Cufa employs locals in-country with the local knowledge and understanding required to work and communicate effectively with people and communities as a whole. Employing locals means building local skills and knowledge so that this is retained within country.



# PROJECT OVERVIEW

## Children's Financial Literacy

### CREATING FINANCIAL EMPOWERMENT

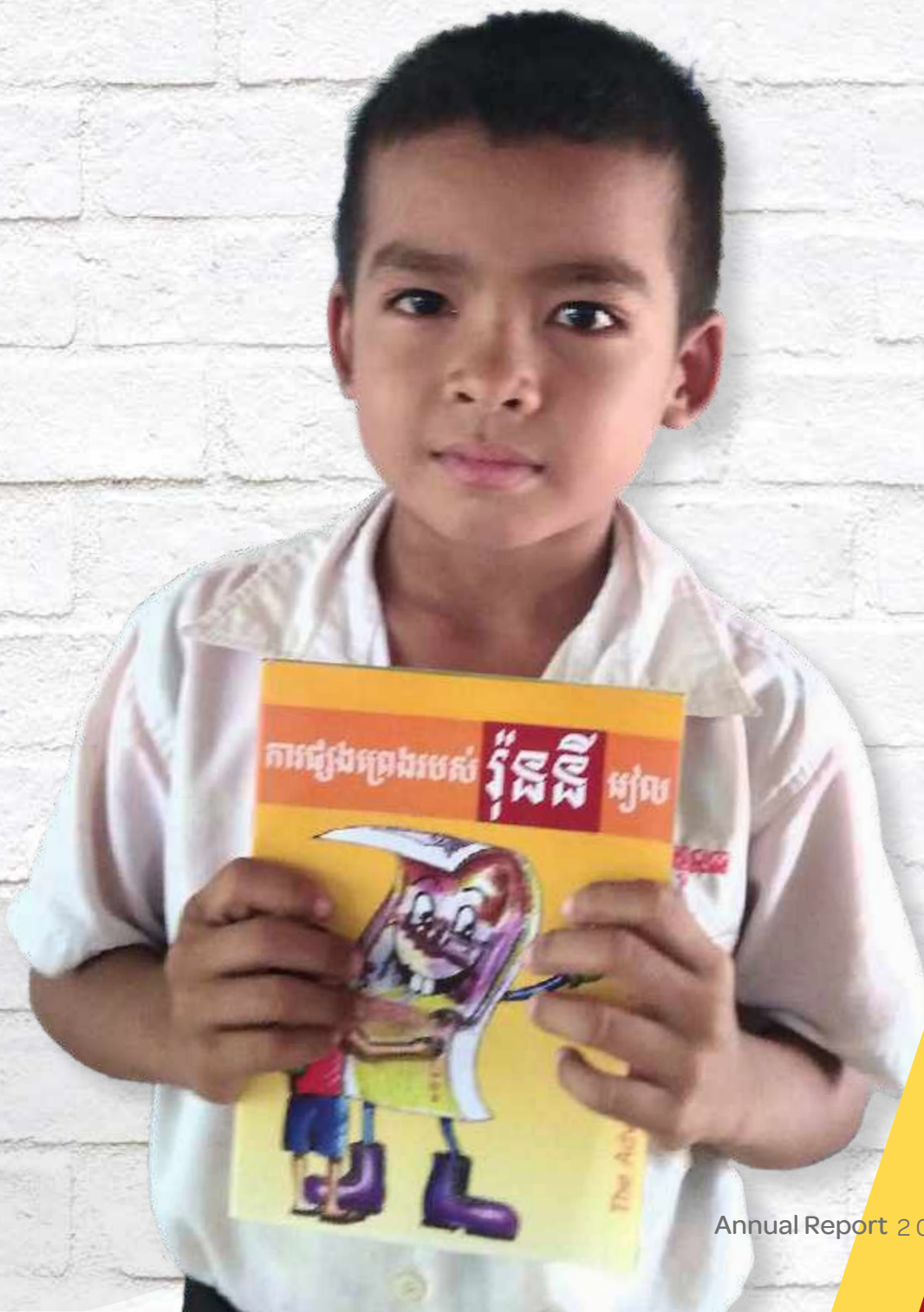
Our Children's Financial Literacy (CFL) program is integrated into the regular school curriculum and encourages young students to develop lifelong savings habits at an early age. The program utilises a custom-designed interactive app, which is in the local language on a tablet, provided by Cufa. We have 50 tablets that our staff take from village to village and are shared by the children during training. Technology is combined with a story book about the adventures of Ronnie the Riel for Cambodia and Mg Mg the Kyat for Myanmar and a lesson book illustrating the importance of saving to best engage the young students to learn and reinforce the valuable learnings. The story books for the children are about how money works in a community, based on the main characters Ronnie and Mg Mg, depending on the country.

All CFL resources were written, created, and developed by Cufa. With the expansion of the CFL program into Myanmar earlier this financial year all CFL resources were adapted to ensure the use of locally-appropriate images and language for Myanmar.



*After the training in March this year I began to think about my saving goal, and I set my goal which is a new bike. I've stopped spending my money on toys and hope I will have enough saved to get my new bike soon.*

Kum, Children Financial Literacy Program, Cambodia.



# 2018 -19 CFL HIGHLIGHTS

## Cambodia



**9,147**

children participated



**48%**  
girls



**52%**  
boys



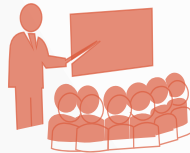
**637**

home visits



**59%**

started saving



**81**

teachers received training  
35 men and 46 women

## Myanmar



**1,991**

children participated



**205**

home visits



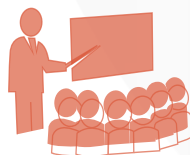
**97%**

started saving

across

**22**

village schools and 6  
monastic education schools



**28**

teachers received  
training



Pyae spent his pocket money on toys. However, after a year of attending CFL classes, opening a bank account, regularly saving for a new school bag, Pyae is now a financial literacy champion. He says:

*I share my financial knowledge to my family members and friends. I want them to know how to spend money and how to save money. CFL lessons are what we all should learn and what can make our future brighter. I have no doubt on it.*

Pyae, Children Financial Literacy Program, Myanmar



Student from CFL Myanmar

# OUR PROGRAM IMPACT

## Children's Financial Literacy

CREATING ASPIRATIONS

I got ideas from reading CFL lesson book and Ronnie Riel book. What I like the most is I want to be a nurse as Vicheka, the character in Ronnie Riel book which I never thought, so I try to save as much as possible to become a nurse in the future.

Chum, Children Financial Literacy Program, Cambodia



Chum

I want to save for my future and career dream of becoming a doctor. I think that only saving in the community saving bank can help me reach my long-term saving goal. I saved \$30 USD in my savings account after six months. I will continue saving more to become a doctor.

Tola, Children Financial Literacy Program, Cambodia



Tola

*"My teacher said that there are two types of saving: saving with a short term and saving with a long term. I am now saving with a long term goal. I will save my money regularly and will spend all of my savings when I have to go to university"*

Khant, Children Financial Literacy Program, Myanmar



Khant and his friend painting CFL pictures



Students from CFL Myanmar



Students from CFL Cambodia



Students from CFL Cambodia



Students from CFL Myanmar



Students from CFL Myanmar



# PROJECT OVERVIEW

## Village Entrepreneurs

### CREATING SUCCESSFUL BUSINESS OWNERS

The Village Entrepreneur (VE) program is a grassroots project that educates the most disadvantaged villagers in how to run their own business. The goal of this program is for the participant to build a successful micro-enterprise and become financially sustainable within three years. The participants are identified by earning less than \$2 a day and being unable to access capital to support themselves and their families. To lift them out of the poverty cycle, we educate participants in how to run their own micro-business and then provide them with the required resources for a successful operation.

Quarterly training and monitoring is tailored to deliver the relevant knowledge and skills in areas such as agriculture or farming, as well as to help formulate business plans and financial skills. Micro-businesses are typically focussed on pig, chicken and duck farming but also include other professions such as grocery selling, hairdressing or motorbike repairing. The program is financed by connecting villagers to Australian individuals who provide a monthly contribution to them and their business. These supporters are known as Community Investors and are updated every quarter on the progress of their Village Entrepreneur. This is in the form of a report which includes details of the expenditure, savings and profits from their business operations.



# 2018 -19 VE HIGHLIGHTS

## Cambodia

FOR PARTICIPANTS THAT WERE ACTIVE IN THE PROGRAM FOR THE 2018-19 YEAR WE SEE:



**46% increase** in gross income over previous years income



Expenses increased by **31%**, this can be attributed to village entrepreneurs making improvements to their business, buying better quality food for stock or new equipment and purchasing more stock



**64% increase** in net profit over previous year



# PROJECT OVERVIEW

## Credit Union Development

### CREATING FINANCIAL INCLUSION

Cufa's Credit Union Development (CUD) program was designed to serve and work with the financially excluded rural poor. The program, which was initially operationalised in 2012 in Timor-Leste, Cambodia - 2013 and Myanmar - 2016, focussed on enhancing institutional capacity building in these developing countries. Addressing weak institutional capacity is key to reducing poverty and strengthening economic development. Cufa's approach has been to work with poor communities and provide training to local community members and the ongoing support to form and run village-owned savings banks. These locally owned savings banks provide access to financial services for the local communities. Not only could members watch their savings grow but also the economic opportunities increased in their villages as local businesses could now borrow to grow their operations. Cufa's monitoring, evaluation and learning approach ensures each CUD program remains responsive to the evolving local context and continuous improvement. To date, the majority of village-owned savings banks established in these communities through this program have reached maturity with many now self-sustainable.

In this financial year, Cufa's CUD programs contributed to improving the living standards and well-being of 12,036 individuals in developing countries across the Asia Pacific region.



*I would like to say thank you to Cufa for coming to our village and helping. Now my business has been much more successful and I have better access to savings and loans....."*

Sokna, Credit Union Development Program, Cambodia



# 2018 -19 CUD HIGHLIGHTS

## Cambodia



**2,480** members  
with 233 new members in 18/19



**21** credit unions  
maintained

**62%**  
increase in those  
accessing financial  
service



**51%**  
men  
**49%**  
women



**43%** increase  
in savings amount



invested **\$205,694** (AUD)  
creating **\$2,536,207**  
in social value

## Myanmar



**30** credit unions  
maintained



total of **2,284** members  
with 152 new members in 18/19



**1728**  
increase access  
to financial services  
of which 70% were  
females



**83%**  
increase in  
savings amount

**431**  
training sessions  
delivered to the CU  
staff



invested **\$183,450** (AUD)  
creating **\$2,261,938**  
in social value



Myat's story illustrates the expansion of financial inclusion for female entrepreneurs. Myat had operated the family's small shop for 10 years, however, she didn't save her income nor did the shop make a profit. The CUD training enabled Myat to consider expanding her business.

*We can apply for loan when we've made regular savings at our village saving bank for at least six months. I now know about the benefits of saving money at a bank and I have decided to make regular contributions to my savings account. Thank you Cufa!*

Myat, CUD Program, Myanmar





For the past 53 years, Htay while he knew a little about saving as an individual he didn't know or understand the power of saving money as a community group and the positive impact that this a good savings habit could have on his life and that of his family. Today Htay, realises the importance of developing good savings habits and the importance of a community-owned savings bank, thanks to the Cufa Credit Union Development Program that he participated in two years ago.

*It gives me and my family so much pleasure when we open our savings book and see the money we have saved over 2 years plus interest. Now we have a better outlook for our future.*

Htay, CUD Program, Myanmar



## Timor-Leste

After delivering Timor-Leste Credit Union Development (CUD) Project for approximately seven years, the 13 established credit unions successfully reached a level of sustainability and autonomy. At the time of the official project end date, August 2018, there were 1,338 members.

Overall, the CUD project in Timor-Leste filled an economic and educational gap as it taught people who had limited or no access to formal financial services how to save and linked them to community-owned and operated banks.





# PROJECT OVERVIEW

## Recycling Plastics Livelihoods Project

CREATING FEMALE ENTREPRENEURS AND ENVIRONMENTAL AWARENESS

The Recycling Plastics Livelihoods project addresses a significant issue and concern for community members and businesses in the tourism industry in the Sihanoukville Province in Cambodia, as it experiences rapid economic development. This issue raised by the community and local businesses is one of a significant increase in the amount of plastic waste in Sihanoukville which is a result of greater business activities and population growth in recent years.

While working closely with the communities in Sihanoukville through past projects, Cufa has observed the challenges and impact of plastic waste issues across the wider community and on the environment. As a result of Cufa's vast experience and knowledge of working with villages in the province, over 2018-19, Cufa, in partnership with local communities and government, scoped and designed a livelihoods project to support communities. The added benefits of this project include bringing the concept of recycling to rural communities, increasing awareness on how to manage plastic waste and more broadly, cleaning-up the environment.

This project is designed using an integrated and multi-pronged program that provides a range of skills and education that meets the needs of a large cross section of the community through three streams. The project commenced in July 2019.

# CAMBODIA



Sihanoukville Province



## The Projects 3 Streams



**01**

Build the capacity of aspiring female entrepreneurs with technical and entrepreneurial skills



**02**

Develop the wider community's awareness on environmental issues that can provide opportunities for additional income



**03**

Increase the community's financial literacy to withstand changes in financial circumstances and economic shocks

# PROJECT OVERVIEW

## Strengthening Resettlement and Income Restoration Implementation (SRIRI) Project

### CREATING INCOME OPPORTUNITIES

The SRIRI project commenced in January 2016 with the objective to build the capacity of the affected families (approx 4,000) across five resettlement sites in Cambodia, in:

- household financial management, including 4 main modules family budgeting, managing debt repayment; sensible borrowing; finding a balance: spending and saving,
- micro-enterprise development,

and provide capacity building and training programs to self-help groups in financial management. The project was expanded in July 2016 to include an Operations & Maintenance program and an additional contract was awarded to Cufa in November 2016 to implement a Vocational Placement Strategy Program (VPSP). Cufa's contract was then extended to October 2018 to include two additional activities to identify further income-generating opportunities and implement the Vocational Training program to develop the vocational skills of eligible affected household members.

Overall this project was extensive and drew on all areas of Cufa's experience and core strategies of education, employment, enterprise and economic institutions to support and empower families affected by the Cambodian rail project.

This project was funded by the Asian Development Bank (ADB).



# PROJECT HIGHLIGHTS

Affected Household financial training reached **4,044** people  
**1,751** men and  
**2,293** females

**2,009**  
Self-Help Group training sessions provided to **3,615** participants (**1,804** female leaders)

Average income for all resettlement sites increased from **\$637.4** before resettlement to **\$1,549.75** in September 2018

**100** affected people supported in job placement across Phnom Penh and Poipet

**265** training sessions provided related to job placement and soft-skills training to **832** participants



## PROJECT OVERVIEW

### Structural Assessment for Compliance with Social and Environmental Safeguards Project

#### CREATING OUTCOMES

As a result of issues arising during the civil works for the CAREC Corridor 3 (Bishkek-Osh Road) Improvement Project in Kyrgyzstan, ADB engaged Cufa in 2018 to implement the Structural Assessment for Compliance with Social and Environment Safeguards Project with the objective of ensuring quality compliance of social and environment safeguards. This project involved undertaking physical structural assessments of buildings along the Bishkek-Osh Road as well as a Socio-economic Household Survey. ADB selected Cufa based on our experience and project delivery in particular, working within a sensitive environment using a considered approach and managing expectations of those impacted.

We completed field surveying within 6 months and produced a comprehensive study report to inform ADB's decision-making process. The study report included developing a structural condition baseline database and provided costing measures to mitigate impacts to households that may be impacted if the original vibration method of road construction was adopted. The mitigation measures included providing estimated costs of repair to affected building structures and the estimated costs and comprehensive assessment and identification of the impacts to temporarily relocate affected households.



## PROJECT HIGHLIGHTS

Cufa developed a comprehensive bespoke Structural Engineering Survey and a Socioeconomic Household Survey in a digital form using SurveyCTO Software. These two surveys were significant project tools.

Cufa visited  
**2,338**  
structures

Completed  
engineering surveys  
for **1,030** structures  
of which **918** had  
damage identified

# Conversations ★ in ★ Development



Olivia Rosenman



Dr Peter Mason

## CONVERSATIONS IN DEVELOPMENT

### CREATING DISCUSSION

Conversations in Development podcast series was launched by Cufa on 28 June 2018. Cufa CEO, Dr Peter Mason, felt that it was important to develop a forum through which open and honest discussions about issues in the foreign aid and development sector could be shared. Dr Mason co-hosts the podcasts with journalist Olivia Rosenman and they invite leading professionals in the field to participate in the lively and thought-provoking discussions. Over the year we have published 13 episodes exploring diverse themes including aid in conflict; women, violence and the law; refugees' role in economies; child labor; climate change; urbanisation, and more, with a focus on Asia-Pacific.

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



Antony  
Loewenstein



Aime  
Saba



Brynn  
O'Brien



Stephen  
Wearing



Guy  
Winship



Melissa  
Bungcaras



Tim  
Costello



Paul Jones



Veronica  
Nou



Clare  
Brown



Kate Lee



Aaron  
Kearney



Mahir  
Momand

# OUR PEOPLE

Cufa's talented and dedicated staff, Board and volunteers are core to achieving Cufa's mission to alleviate poverty and create infinite value. In 2018-19, Cufa employed staff members with 6 full-time positions in the Sydney office. The majority of staff work in Cambodia, with a smaller number working across Myanmar and Kyrgyz. Cufa manages 3 main offices and a number of sub-offices. Each of Cufa's in-country offices are staffed by a local country manager who manages the local project staff that are conducting Cufa's projects out in the field.

Countless hours were contributed by volunteers to Cufa and our Board of Directors, members of our International Development Working Group, as well as Cufa's project work and office volunteers.

**90%** of our staff  
are local to the country  
they work in



*I deeply acknowledge our field staff, all of whom are local to the countries they work in, and who know the communities they work in intimately. This effectively translates to our field staff having profound cultural insight and sensitivity, in turn earning the trust of the community.*

Dr Peter Mason, CEO, Cufa



# 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 and Andrew Rodgers. Greg Rudd was appointed as a Director in December 2018 and resigned in October 2019. Ted Marchant was appointed as a Director in August 2019.



**Margot Sweeny OAM**  
**Chair / B Bus, MEc, CPA, ACS, SA Fin, FAMI, JP**

Margot was appointed as Chair of Cufa on 14 September 2010. She has worked extensively in both the commercial and public sectors, in a variety of fields including construction, computing, accounting, financial management and taxation. She became CEO of Summerland Credit Union in 1999. Margot is an active corporate citizen in the Northern Rivers of NSW and has participated in various regional development organisations and advisory groups over the past two decades.



**David Chapman**  
**Director / MBA, BBus (Computing & Management Information Systems), Diploma (Data Processing), AAIM, MAMI, MIAPP**

David joined Cufa as a Director on 7th of December 2017. David has held several senior positions at large corporates including Chief Information Officer at Teachers Mutual Bank and Program Director roles within both Operations and Risk Divisions for the Westpac Group and Asia/Pacific oversight and accountabilities as Head of Consumer Technologies APA at American Express.



**Peter Dowling AM**  
**Director / BA (Acc.), FCPA, FAICD**

Peter was appointed a Director of Cufa on 26 April 2013. Peter is a former Ernst & Young Tax and Business Advisory Partner. He was awarded The Centenary of Federation Medal in the General List by the Governor-General in 2001 for contribution to accounting and made a Member of the Order of Australia (AM) in the General Division on Australia Day 2007 for service to accountancy and the community. He is currently also a Director of Metro South Health and Hospital Service, TAFE Queensland, Healthdirect, Lexon Insurance and is Chair or Member of a number of state and local government audit and risk committees. Peter is also the Queensland Honorary Consul for Botswana.



**Peter Mason, CEO**  
**Director/ PhD (Applied Behavioural Economics), BBus (Business Management), BA**

Peter joined the CUFA board on the 23 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 Cufa's 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.



**Andrew Rodgers**

**DIRECTOR/ BBus(Acc), AssocDip (Elec Eng), FAICD, FCPA**

Andrew joined the Cufa Board in December 2018 with significant experience in NFP Boards. 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 NFP sectors across a diverse number of industries. He actively promotes diversity, cultural awareness and provides practical and commercial business insights and advice. Andrew has held positions of CEO, COO, and CFO in large public and private companies including ASX 100.



**Edward (Ted) Marchant**  
**B.Com, LLB, FCPA, FFin, FAICD**

Ted was appointed a Director of Cufa in August 2019 following the acquisition of Foresters Community Finance Limited (FCF) where he has been a non-executive Director for over five years. FCF is an ethical lender with a mission for the financially excluded. He is also a Director of a number of financial services entities in Brisbane following an executive career primarily in commercial and investment banking.



# OUR SUPPORTERS

Cufa would like to thank all of our generous supporters from individuals, organisations to Government Departments who supported us in 2018-19. Together we work to empower change and create infinite value.

We acknowledge the following supporters:



Australian Government

Department of Foreign Affairs and Trade





# STUDY TOUR

Cufa encourages its partners to experience first-hand the environment in which we work and impact their support provides to those living in poverty. In April 2019, Cufa hosted staff from one of our long-standing partners, Teachers Mutual Bank (TMB), over in Cambodia to participate in a study tour. The tour comprised of four days full of activities that varied from cultural and historical activities to visiting our projects. Staff attended Children's Financial Literacy classes, visited a Credit Union Development savings bank and a Village Entrepreneur's business. We also encouraged the TMB staff to get involved in a variety of activities whether it was explaining basic financial concepts, playing traditional games with students or learning how to craft pots with local business owners.





# OUR FINANCIALS

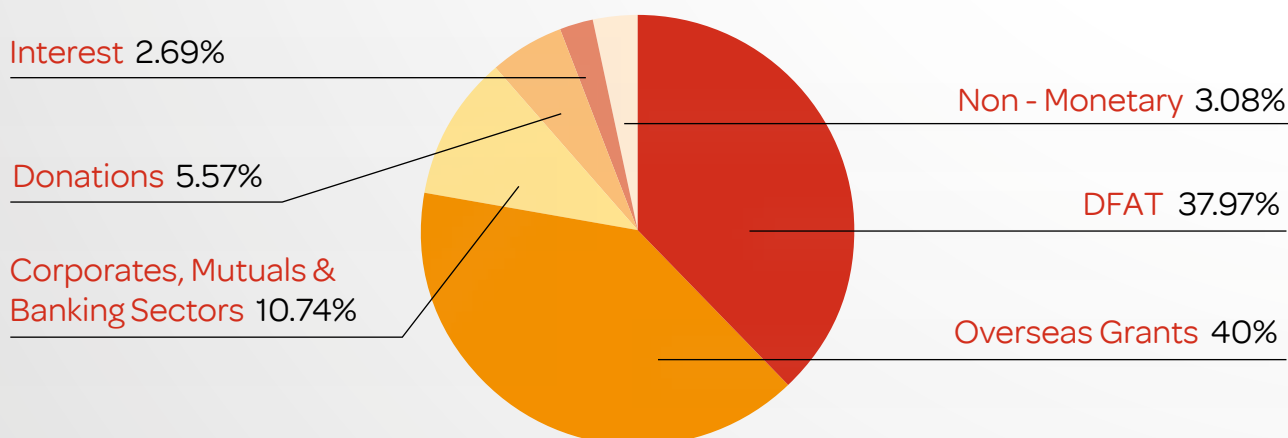
## Revenue in 2018-19

Cufa raised a total revenue of \$1,363,852 for the financial year 1 July 2018 to 30 June 2019. Of the total revenue 77.97% was funding received from grants.

This year, 66% of Cufa's total gross revenue was received from the Australian Department of Foreign Affairs & Trade (DFAT) and the Asian Development Bank (ADB). 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 10.74% of our total revenue. We equally thank every single individual donor for their investment in Cufa and in creating infinite value. Collectively, your support comprises 5.57% of our income, mainly in support for our village entrepreneurs, and we thank you sincerely as you are empowering these people to break the poverty cycle and build a sustainable future for themselves and their future generation.

DFAT	37.97%
Overseas Grants	40%
Corporates, Mutuals & Banking Sectors	10.74%
Donations	5.57%
Interest	2.69%
Non-Monetary	3.08%



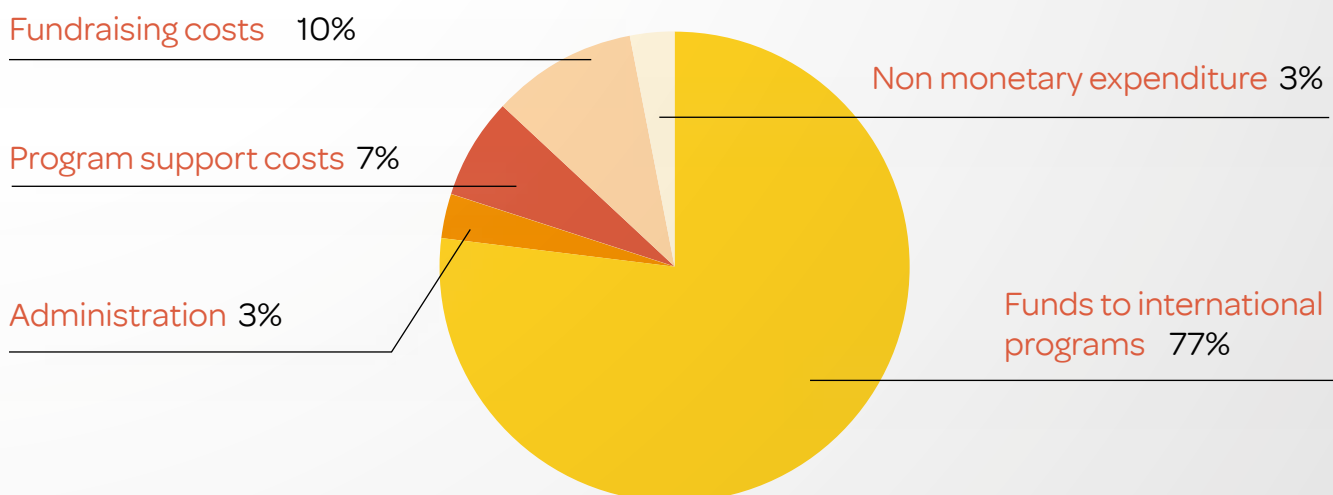
## Disbursements in 2018-19

Cufa disbursements totalled \$1,769,736 this financial year, with 77% 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% of our total spend.

Whilst effort has been made to increase awareness and the exceptional impact of the work that Cufa achieves, our fundraising costs also remain low, equalling 10% of our expenditure overall.

Funds to international programs	77%
Administration	3%
Program support costs	7%
Fundraising costs	10%
Non monetary expenditure	3%



**CUFA Ltd**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2019**

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

## **Corporate Information**

### **Responsible Entities**

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

David Chapman  
Peter Dowling AM  
Colette McInerney  
Andrew Rodgers  
Edward Marchant  
Margot Sweeny (Chairperson)

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

Suite 303, 275 Alfred St  
North Sydney NSW 2060  
Australia

### **Auditor**

Grant Thornton

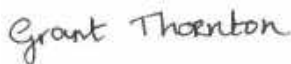
### **ABN**

14 163 481 329

## Auditor's Independence Declaration

To the Responsible Entities of Credit Union Foundation Australia Pty Limited as  
Trustee of Credit Union Foundation Australia

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Credit Union Foundation Australia Pty Limited as Trustee of Credit Union Foundation Australia for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Claire Scott  
Partner – Audit & Assurance  
Sydney, 10 December 2019

## **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 2019 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 Company will be 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.



---

Margot Sweeny  
Chair



---

Director

Sydney, 10 December 2019

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

**For the year ended 30 June 2019**

	<b>Notes</b>	<b>2019</b> \$	2018 \$
<b>Revenue</b>			
Management fee income	<b>8</b>	<b>610,693</b>	560,977
Interest earned		<b>(428)</b>	645
<b>Total revenue from ordinary activities</b>		<b>610,265</b>	561,622
<b>Expenses</b>			
Personnel expenses	<b>3</b>	<b>609,035</b>	548,185
Administration expense		<b>1,658</b>	3,880
Board expenses		-	8,912
<b>Total expenses from ordinary activities</b>		<b>610,693</b>	560,977
<b>(Deficit) / surplus for the year</b>		<b>(428)</b>	645
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(428)</b>	645

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 2019**

	<b>Notes</b>	<b>2019</b> \$	2018 \$
<b>Current Assets</b>			
Cash and cash equivalents	<b>5</b>	<b>71,796</b>	134,795
Other receivables - related party	<b>8</b>	<b>48,565</b>	44,177
<b>Total Current Assets</b>		<b>120,361</b>	178,972
<b>Current Liabilities</b>			
Other liabilities		<b>11,557</b>	72,728
Provisions	<b>6</b>	<b>102,095</b>	99,107
<b>Total Current Liabilities</b>		<b>113,652</b>	171,835
<b>Net Assets</b>		<b>6,709</b>	7,137
<b>Funds</b>			
Accumulated funds		<b>6,709</b>	7,137
<b>Total Funds</b>		<b>6,709</b>	7,137

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 2019**

	<b>Accumulated Funds \$</b>	<b>Total Funds \$</b>
Balance as at 1 July 2017	6,492	6,492
Total comprehensive income	645	645
Balance at 30 June 2018	<u>7,137</u>	<u>7,137</u>
Balance as at 1 July 2018	<b>7,137</b>	<b>7,137</b>
Total comprehensive loss	<b>(428)</b>	<b>(428)</b>
Balance at 30 June 2019	<u><b>6,709</b></u>	<u><b>6,709</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 2019

	2019 \$	2018 \$
<b>Cash flows from operating activities</b>		
Management fee and interest income received	<b>605,876</b>	525,432
Administration expenses paid	<b>(668,875)</b>	(514,768)
	<hr/>	<hr/>
<b>Net cash provided by/(used in) operating activities</b>	<b>(62,999)</b>	10,664
<b>Net cash provided by/(used in) investing activities</b>	-	-
<b>Net cash provided by/(used in) financing activities</b>	-	-
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(62,999)</b>	10,664
<b>Cash and cash equivalents at the beginning of the year</b>	<b>134,795</b>	124,131
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>71,796</b>	134,795

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 2019**

**1. 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 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 Company.

**2. Significant accounting policies**

**General Information and Statement of Compliance**

CUFA Ltd is a company limited by guarantee formed in Australia. The general purpose financial statements of the Company 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 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 2019 were approved and authorised for issue by the Responsible Entities of the Company on 10 December 2019.

**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.

**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

**b. Revenue**

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

Revenue is measured by reference to the fair value of consideration received or receivable by the Company 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 Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

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

**c. Operating expenses**

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

**d. Leases**

**(i) Operating leases**

Where the Company 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 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 2019**

- 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 possess credit risk characteristics based on the days past due.

**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

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

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

The Company'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 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.

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.

**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

**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>2019</b>	<b>2018</b>
	\$	\$
Personnel expenses comprises:		
- salaries and wages	<b>506,691</b>	436,597
- superannuation expenses	<b>51,025</b>	44,214
- employee leave provisions expense	<b>51,319</b>	67,374
Total personnel expenses	<b>609,035</b>	548,185
<b>4. Auditor's remuneration</b>		
The audit of the Company is completed on a pro bono basis by Grant Thornton.		
<b>5. Cash and cash equivalents</b>	<b>2019</b>	<b>2018</b>
	\$	\$
Cash at bank	<b>71,796</b>	134,795
<b>6. Provisions</b>	<b>2019</b>	<b>2018</b>
<b>Current</b>	<b>\$</b>	<b>\$</b>
Annual leave	<b>19,926</b>	22,808
Long service leave	<b>82,169</b>	76,299
<b>Total provisions</b>	<b>102,095</b>	99,107
<b>7. Notes to cash flow</b>	<b>2019</b>	<b>2018</b>
	\$	\$
<b>a. Reconciliation of cash and cash equivalents</b>		
Total cash and cash equivalents	<b>71,796</b>	134,795
<b>b. Reconciliation of (deficit)/surplus from operating activities</b>		
(Deficit)/surplus for the year	<b>(428)</b>	645
Decrease/(Increase) in other receivables	<b>(4,388)</b>	(36,190)
Increase/(Decrease) in other liabilities	<b>(61,171)</b>	11,126
Increase/(Decrease) in provisions	<b>2,988</b>	35,083
<b>Net cash flow (used in)/provided by operating activities</b>	<b>(62,999)</b>	10,664

**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

**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>2019</b>	2018
	<b>\$</b>	\$
Total Key Management Personnel Compensation	<b>202,575</b>	194,982

**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):

David Chapman  
Peter Dowling AM  
Peter Mason  
Colette McInerney  
Andrew Rodgers  
Margot Sweeny

Management fees received from Australian Foundation for International Credit Union Development - International Projects (the Grahame Mehrtens International Projects Fund) of \$610,693 (2018 \$560,977).

Receivable from Australian Foundation for International Credit Union Development - International Projects (the Grahame Mehrtens International Projects Fund) of \$48,565 (2018 \$44,177).

**9. Subsequent events**

On 30 July 2019 the Company entered into a Share Sale Agreement to acquire the sole share in Foresters Community Finance Limited 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 Limited.

**10. Contingencies**

Nil.

**Notes to the Financial Statements**  
**For the year ended 30 June 2019**

**11. 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 2019</b>	54,192	-	-	54,192

The property lease commitments are non-cancellable operating leases with lease terms of between one and two years. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

# Independent Auditor's Report

To the Members of CUFA Ltd

Report on the audit of the financial report

## Opinion

We have audited the accompanying financial report of CUFA Ltd (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2019, the statement profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion, the financial report of CUFA Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 the 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 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, the 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 intend to liquidate the Registered Entity or to cease operations, or have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants

*Claire Scott*

Claire Scott  
Partner – Audit & Assurance  
Sydney, 10 December 2019

**CREDIT UNION FOUNDATION AUSTRALIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

# Credit Union Foundation Australia

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## **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:

David Chapman  
Peter Dowling AM  
Peter Mason  
Colette McInerney  
Andrew Rodgers  
Margot Sweeny (Chairperson)

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

Suite 303, 275 Alfred St  
North Sydney NSW 2060  
Australia

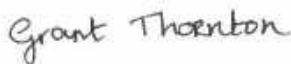
### **Auditor**

Grant Thornton

## Auditor's Independence Declaration

To the Responsible Entities of Credit Union Foundation Australia Pty Limited as  
Trustee of Credit Union Foundation Australia

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Credit Union Foundation Australia Pty Limited as Trustee of Credit Union Foundation Australia for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Claire Scott  
Partner – Audit & Assurance  
Sydney, 10 December 2019

## 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 2019 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 will be 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.



---

Margot Sweeny  
Chair



---

Peter Mason  
Director

Sydney, 10 December 2019

**Credit Union Foundation Australia**

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

**For the year ended 30 June 2019**

	<b>Notes</b>	<b>2019</b> <b>\$</b>	2018 <b>\$</b>
<b>Revenue</b>			
Interest income -	<b>6</b>	<b>17,516</b>	342
<b>Total revenue from ordinary activities</b>		<b>17,516</b>	342
<b>Expenses</b>		-	-
<b>Total expenses from ordinary activities</b>		-	-
<b>Surplus for the year</b>		<b>17,516</b>	342
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>17,516</b>	342

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 2019

	Notes	2019 \$	2018 \$
<b>Non-Current Assets</b>			
Other receivables	4	<b>698,568</b>	681,052
<b>Total non-current assets</b>		<b>698,568</b>	681,052
<b>Current Liabilities</b>			
<b>Total current liabilities</b>		-	-
<b>Net Assets</b>		<b>698,568</b>	681,052
<b>Funds</b>			
Accumulated funds		<b>542,129</b>	524,613
Reserve - Steve Birt Endowment Fund		<b>156,439</b>	156,439
<b>Total Funds</b>		<b>698,568</b>	681,052

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 2019

	<b>Accumulated Funds</b>	<b>Reserve – Steve Birt Endowment Fund</b>	<b>Total Funds</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at 1 July 2017	524,271	156,439	680,710
Total comprehensive income	342	-	342
Balance as at 30 June 2018	<u>524,613</u>	<u>156,439</u>	<u>681,052</u>
Balance as at 1 July 2018	<b>524,613</b>	<b>156,439</b>	<b>744,662</b>
Total comprehensive income	<b>17,516</b>	-	<b>17,516</b>
<b>Balance as at 30 June 2019</b>	<b><u>542,129</u></b>	<b><u>156,439</u></b>	<b><u>762,178</u></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 2019**

	<b>Notes</b>	<b>2019</b> <b>\$</b>	<b>2018</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 2019**

#### **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 2019 were approved and authorised for issue by the Board of Directors of the Trust on 10 December 2019.

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

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

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

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

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

Revenue comprises revenue from 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.

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 2019

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 2019

#### 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.

	<b>2019</b>	2018
	\$	\$
<b>3. Administration expenses</b>		
The audit of the Trust is completed on a pro bono basis by Grant Thornton.		
<b>4. Other receivables</b>		
Receivable from The Australian Foundation for International Credit Union development – International Projects Fund	<b>698,568</b>	681,052
Total other receivables	<b>698,568</b>	681,052

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 2019

	<b>2019</b>	2018
	<b>\$</b>	\$
<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>17,516</b>	<b>342</b>
(Increase)/decrease in other receivables	<b>(17,516)</b>	<b>1,158</b>
Increase in other liabilities	-	<b>(1,500)</b>
<b>Net cash flow from operating activities</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 \$17,516 (2018 \$342) 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

Nil.

## 8. Commitments

Nil.

## 9. Contingencies

Nil.

## Independent Auditor's Report

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

### Report on the audit of the financial report

#### Opinion

We have audited the accompanying financial report of Credit Union Foundation Australia Pty Limited as Trustee of the Credit Union Relief Fund (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2019, the statement profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion, the financial report of Credit Union Foundation Australia Pty Limited as Trustee of the Credit Union Relief Fund has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 the 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 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, the 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 intend to liquidate the Registered Entity or to cease operations, or have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants

*Claire Scott*

Claire Scott  
Partner – Audit & Assurance

Sydney, 10 December 2019

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

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2019**

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

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

**Trustee Information**

The Trustee of Grahame Mehrtens International Project Fund is Credit Union Foundation Australia Pty Limited.

**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:

David Chapman  
Peter Dowling AM  
Peter Mason  
Colette McInerney  
Andrew Rodgers  
Margot Sweeny (Chairperson)

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

Suite 303, 275 Alfred St  
North Sydney NSW 2060 Australia

**Banker**

Westpac Banking Corporation

**Auditor**

Grant Thornton

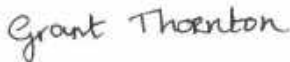
**ABN**

12 217 931 154

## Auditor's Independence Declaration

To the Responsible Entities of Credit Union Foundation Australia Pty Ltd as Trustee of Australian Foundation for International Credit Union Development-International Projects

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Credit Union Foundation Australia Pty Ltd as Trustee of Australian Foundation for International Credit Union Development-International Projects for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Claire Scott  
Partner – Audit & Assurance

Sydney, 10 December 2019

**Responsible Entities' Declaration**

The Responsible Entities (Directors) of the Trustee declares 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 2019 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 will be 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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Margot Sweeny  
Chair



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Peter Mason  
Director of the Trustee

Sydney, 10 December 2019

**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 2019 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 2019 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 organization;
4. The internal controls exercised by the organization 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, 10 December 2019

**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 2019**

	Notes	2019 \$	2018 \$
<b>REVENUE</b>			
<b>Donations and gifts</b>			
-Monetary	3	<b>207,537</b>	263,485
-Non-monetary	4	<b>42,590</b>	47,943
<b>Bequests and Legacies</b>			
		-	-
<b>Grant income</b>			
-Department of Foreign Affairs & Trade	3	<b>524,665</b>	634,408
-Other Australian Grants		-	-
-Overseas Grants	3	<b>551,928</b>	327,084
<b>Commercial activities income</b>			
		-	-
<b>Interest and investment income</b>			
		<b>37,131</b>	31,977
Other Income		-	-
Revenue for International Political or Religious Adherence Promotion Programs		-	-
<b>TOTAL REVENUE</b>		<b>1,363,851</b>	1,304,897
<b>EXPENSES</b>			
<b>International Aid and Development Programs Expenditure</b>			
International programs:			
-Funds to international programs	5	<b>1,361,137</b>	1,233,168
-Administration		<b>52,466</b>	60,378
-Program support costs		<b>129,700</b>	166,518
Community education		-	-
Fundraising costs:			
-Public		<b>183,843</b>	114,995
-Government, multilateral and private		-	-
Accountability and administration	6	-	-
Non-monetary expenditure	4	<b>42,590</b>	47,943
<b>Total International Aid and Development Programs Expenditure</b>		<b>1,769,736</b>	1,623,002
International political or Religious Adherence promotion programs expenditure		-	-
Domestic programs expenditure		-	-
Commercial activities expenditure		-	-
Other expenditure		-	-
<b>TOTAL EXPENDITURE</b>		<b>1,769,736</b>	1,623,002
<b>Deficit for the year</b>		<b>(405,885)</b>	(318,105)
<b>Other comprehensive income</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(405,885)</b>	(318,105)

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 2019**

	<b>Notes</b>	<b>2019</b> \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10(a)	<b>1,899,850</b>	2,326,912
Trade and other receivables	7	<b>184,187</b>	155,930
<b>Total Assets</b>		<b><u>2,084,037</u></b>	<u>2,482,842</u>
<b>Current Liabilities</b>			
Trade and other payables	8	<b>864,164</b>	846,019
Provisions	9	<b>33,943</b>	45,008
<b>Total Liabilities</b>		<b><u>898,107</u></b>	<u>891,027</u>
<b>Net Assets</b>		<b><u>1,185,930</u></b>	<b><u>1,591,815</u></b>
<b>Funds</b>			
Accumulated funds		<b><u>1,185,930</u></b>	<b><u>1,591,815</u></b>
<b>Total Funds</b>		<b><u>1,185,930</u></b>	<b><u>1,591,815</u></b>

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 2019**

	<b>Accumulated Funds</b>	<b>Total Funds</b>
	\$	\$
Balance as at 1 July 2017	1,909,920	1,909,920
Total comprehensive loss	(318,105)	(318,105)
Balance as at 30 June 2018	<u>1,591,815</u>	<u>1,591,815</u>
<b>Balance as at 1 July 2018</b>	<b>1,591,815</b>	<b>1,591,815</b>
<b>Total comprehensive loss</b>	<b>(405,885)</b>	<b>(405,885)</b>
<b>Balance as at 30 June 2019</b>	<b><u>1,185,930</u></b>	<b><u>1,185,930</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 2019**

	<b>Notes</b>	<b>2019</b> \$	2018 \$
<b>Cash flows from operating activities</b>			
Donations received		<b>134,712</b>	111,343
DFAT Grants received		<b>524,664</b>	603,778
Other Grants received		<b>523,669</b>	243,804
Funds raised for specific initiatives		<b>72,825</b>	152,141
Fundraising expenses		<b>(183,843)</b>	(114,995)
Expenditure on DFAT projects		<b>(722,765)</b>	(861,302)
Expenditure on other projects		<b>(813,453)</b>	(550,228)
<b>Net cash used in operating activities</b>	10 (b)	<b>(464,191)</b>	(415,459)
<b>Cash flows from investing activities</b>			
Interest income received		<b>37,130</b>	31,977
<b>Net cash provided by investing activities</b>		<b>37,130</b>	31,977
<b>Cash flows from financing activities</b>			
		-	-
<b>Net increase in cash and cash equivalents</b>	10	<b>(427,062)</b>	(383,482)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,326,912</b>	2,710,394
<b>Cash and cash equivalents at the end of the year</b>	10(a)	<b>1,899,850</b>	<b>2,326,912</b>

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 2019**

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

In the current year, the 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 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 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 2019 were approved and authorised for issue by the Responsible Entities of the Trust on 10 December 2019.

**Notes to the Financial Statements  
For the year ended 30 June 2019**

**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 2019**

**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 2019**

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 2019**

**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.

**Notes to the Financial Statements  
For the year ended 30 June 2019**

**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>2019</b>	2018
	\$	\$
<b>3. Revenue from ordinary activities</b>		
<b>Donations and gifts – monetary</b>		
Other Australian donations	<b>69,176</b>	124,039
Children’s financial literacy-Cambodia	<b>57,000</b>	57,000
Participation Fees-Cambodia Leadership Challenge	-	-
Participation Fees Pacific Credit Union Technical Congress	-	-
Leadership - Pacific	-	-
Village Entrepreneur Program	<b>69,328</b>	81,620
Fundraising - Asia	-	826
Fundraising - Pacific	-	-
Other funds	<b>12,032</b>	-
Total donations and gifts - monetary	<b>207,536</b>	263,485
<b>Grant income</b>		
Department of Foreign Affairs & Trade	<b>524,665</b>	634,408
Other Australian grants	-	-
Other overseas grants	<b>551,928</b>	327,085
Total grant income	<b>1,076,593</b>	961,493
Total revenue from ordinary activities	<b>1,284,129</b>	1,224,978
<b>4. Other project services (non-monetary)</b>		
Volunteer services	<b>42,590</b>	47,943
Total other project services	<b>42,590</b>	47,943

Volunteer services are recognised on the basis of time spent and represents 707 hours (2018: 807 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 2019**

<b>5.</b>	<b>Funds to international programs</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
	Funds to overseas projects:		
	DFAT projects	<b>540,598</b>	592,110
	Financial Literacy Program	<b>57,000</b>	24,599
	Cambodia VPSP Project	<b>29,961</b>	55,680
	O&M	<b>17,617</b>	37,646
	Skill Intern Exchange	-	25,418
	Job training Placement	<b>1,883</b>	10,154
	Exit Strategic Workshop	<b>26,587</b>	-
	Immediate debt relief	-	5,336
	Reflection Workshop	-	27,199
	Vocational Training Program	<b>38,296</b>	15,537
	Australian Council for International Development	-	6,266
	Kyrgyzstan Project	<b>264,064</b>	-
	Bougainville Youth Project	-	42,297
	LEED Project	<b>32,645</b>	8,777
	SRIRI Project	<b>53,302</b>	142,976
	CPA Program	-	21,956
	Women Empower Project	<b>92,659</b>	-
	Village Entrepreneur	<b>63,795</b>	72,401
	Board Education and Familiarisation	<b>18,256</b>	18,393
	Oceanic Confederation of Credit Union Leagues	<b>21,804</b>	16,408
	Other projects	<b>102,670</b>	110,015
	Total funds to international programs	<b>1,361,137</b>	1,233,168
<b>6.</b>	<b>Accountability and administration</b>		
	The audit of the organisation is completed on a pro bono basis by Grant Thornton.		
<b>7.</b>	<b>Trade and other receivables</b>		
	Receivables	<b>88,971</b>	117,886
	Security deposits	<b>29,738</b>	38,045
	Prepayments	<b>65,478</b>	-
	Total trade and other receivables	<b>184,187</b>	155,931
<b>8.</b>	<b>Trade and other payables</b>		
	Trade creditors	<b>8,192</b>	7,186
	Accrued expenses	<b>45,230</b>	-
	Payable to Credit Union Foundation Australia	<b>698,568</b>	681,052
	Payable to CUFA Ltd	<b>48,565</b>	44,176
	Payable to Jack Ross Memorial Trust	<b>63,609</b>	63,795
	Superannuation payable	-	49,810
	<b>Total trade and other payables</b>	<b>864,164</b>	846,019

**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 2019**

<b>9.</b>	<b>Provision Current</b>	<b>2019</b>	2018
		\$	\$
	Annual leave	30,021	20,394
	Long service leave	3,922	24,614
	<b>Total provisions</b>	<b>33,943</b>	45,008
<b>10.</b>	<b>Notes to cash flow</b>	<b>2019</b>	2018
		\$	\$
	<b>a. Reconciliation of cash and cash equivalents</b>		
	- Cash at bank	<b>1,895,207</b>	2,318,593
	- Cash on hand	<b>4,643</b>	8,319
	Total cash and cash equivalents	<b>1,899,850</b>	2,326,912
	<b>b. Reconciliation of cash flow from operations with operating deficit</b>		
	Operating deficit of the year	<b>(405,885)</b>	(318,105)
	Non-operating items:		
	Less: investment income	<b>(37,131)</b>	(31,977)
	Movements in assets and liabilities:		
	Decrease in trade and other receivables	<b>(28,257)</b>	(69,657)
	(Decrease)/Increase in trade and other payables	<b>18,145</b>	40,915
	Decrease in income in advance	-	(30,631)
	Increase/(Decrease) in provisions	<b>(11,063)</b>	(6,004)
	<b>Net cash used in operating activities</b>	<b>(464,191)</b>	(415,459)

**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 2019**

<b>11.</b>	<b>Table of cash movements for designated purposes</b>			
<b>2019 Purpose</b>	<b>Cash available at 30 June 2018 \$</b>	<b>Cash raised during FY18/19 \$</b>	<b>Cash disbursed during FY18/19 \$</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
Reflection Workshop Project	(1,582)	-	-	(1,582)
Skill Intern Exchange	(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	(813,842)	1,945,850
<b>Total</b>	<b>2,326,912</b>	<b>1,092,776</b>	<b>(1,519,838)</b>	<b>1,899,850</b>
<b>Net cash flow by designated purpose for the year (Refer to the Statement of Cash Flows)</b>			<b>(427,062)</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 2019**

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

<b>2018 Purpose</b>	<b>Cash available at 30 June 2017 \$</b>	<b>Cash raised during 2017/2018 \$</b>	<b>Cash disbursed during 2017/2018 \$</b>	<b>Cash available at 30 June 2018 \$</b>
Pacific Congress	64,800	-	-	64,800
Cambodia Children's Financial Literacy	(13,183)	-	(24,599)	(37,782)
Leadership-ASIA	60,471	-	-	60,471
Oceanic Confederation of Credit Union Leagues	(50,860)	-	(16,408)	(67,268)
Leadership-PACIFIC	18,943	-	-	18,943
Fundraising Asia	95,101	-	-	95,101
Australian Council for International Development	(90,519)	-	(6,266)	(96,785)
Bougainville Youth Project	20,631	10,000	(42,297)	(11,666)
Village Entrepreneur	(2,229)	81,620	(72,401)	6,990
SRIRI Project	(7,265)	177,499	(141,875)	28,359
Cambodia - VPSP	(18,836)	60,009	(55,680)	(14,507)
Reflect Workshop Project	-	25,616	(27,199)	(1,582)
Skill Intern Exchange Program	-	24,887	(25,418)	(531)
Cambodia - O&M	(46,009)	-	(37,646)	(83,655)
Cambodia - LEED Project	-	39,072	(8,777)	30,295
Cambodia - SEED	6,042	-	-	6,042
General Accumulated Funds	2,673,307	882,750	(1,226,369)	2,329,688
<b>Total</b>	<b>2,710,394</b>	<b>1,301,453</b>	<b>(1,684,935)</b>	<b>2,326,912</b>

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

(383,483)

**Notes to the Financial Statements  
For the year ended 30 June 2019**

**12. Related party disclosures**

**Key Management Personnel**

Related parties include Key Management Personnel being the Director of the Trustee. Directors are being paid on an honorary basis.

The compensation of the specified Directors was nil (2018:nil)

**Other related party transactions**

The organisation received a donation from TISA Community Finance Ltd, which has a Director who is also the Executive Officer (Responsible Entity) of this Trust. The total amount received was \$2,600.

The payables at Note 8 to Credit Union Foundation Australia, CUFA Limited and Jack Ross Memorial Trust are to trusts or a company under the control of a trustee entity or board whose responsible entities or directors are the same people.

There are no documented terms to the payables to Credit Union Foundation Australia, CUFA Limited and Jack Ross Memorial Trust and each amount is at call.

A management fee was paid to CUFA Limited of \$610,693 (2018 \$560,977). This amount is included in the Statement of Profit or Loss and disclosed in project expenses.

Interest expense of \$17,516 (2018 \$342) was recorded the Statement of Profit or Loss on the payable to Credit Union Foundation Australia. The amount of the expense is included in expenses in the Statement of Profit or Loss.

**13. Subsequent events**

Nil.

**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 Credit Union Foundation Australia Pty Ltd as Trustee of 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 Credit Union Foundation Australia Pty Ltd as Trustee of Australian Foundation for International Credit Union Development-International Projects (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2019, the statement profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion, the financial report of Credit Union Foundation Australia Pty Ltd as Trustee of Australian Foundation for International Credit Union Development-International Projects has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 the 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 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, the 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 intend to liquidate the Registered Entity or to cease operations, or have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants

*Claire Scott*

Claire Scott  
Partner – Audit & Assurance  
Sydney, 10 December 2019

**CREDIT UNION RELIEF FUND**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**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:

David Chapman  
Peter Dowling AM  
Peter Mason  
Colette McInerney  
Andrew Rodgers  
Margot Sweeny (Chairperson)

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

Suite 303, 275 Alfred St  
North Sydney NSW 2060  
Australia

**Auditor**

Grant Thornton

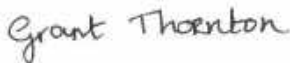
**ABN**

39 255 175 137

## Auditor's Independence Declaration

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

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Credit Union Foundation Australia Pty Limited as Trustee of the Credit Union Relief Fund for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Claire Scott  
Partner – Audit & Assurance

Sydney, 10 December 2019

## Independent Auditor's Report

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

### Report on the audit of the financial report

#### Opinion

We have audited the accompanying financial report of Credit Union Foundation Australia Pty Limited as Trustee of the Credit Union Relief Fund (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2019, the statement profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion, the financial report of Credit Union Foundation Australia Pty Limited as Trustee of the Credit Union Relief Fund has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards 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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 the 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 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, the 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 intend to liquidate the Registered Entity or to cease operations, or have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants

*Claire Scott*

Claire Scott  
Partner – Audit & Assurance  
Sydney, 10 December 2019

## **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 2019 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 will be 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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Margot Sweeny  
Chair



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Peter Mason  
Director of the Trustee

Sydney, 10 December 2019

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

**For the year ended 30 June 2019**

	<b>2019</b>	2018
	<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>	<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 2019**

	<b>2019</b>	2018
	\$	\$
<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 2019**

	<b>Accumulated Funds \$</b>	<b>Total Funds \$</b>
Balance as at 1 July 2017	103	103
Total comprehensive income	-	-
Balance at 1 July 2018	<u>103</u>	<u>103</u>
Balance as at 1 July 2018	<b>103</b>	<b>103</b>
Total comprehensive income	-	-
Balance as at 30 June 2019	<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 2019**

	<b>Note</b>	<b>2019</b>	2018
		\$	\$
<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 2019**

**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 2019 were approved and authorised for issue by the Board of Directors of the Trust on 10 December 2019.

**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 2019**

**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 2019**

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 2019**

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 2019**

**i. Economic Dependence**

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

**3. Auditor's remuneration**

The audit of the Trust is completed on a pro bono basis by Grant Thornton.

**4. Related party disclosures**

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

Nil related party transactions.

**5. Subsequent events**

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

**6. Commitments**

Nil.

**7. Contingencies**

Nil.

**8. Additional information**

Credit Union Relief Fund is a trust formed in Australia.



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