

CBM AUSTRALIA

ABN 23 005 326 849



GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

TABLE OF CONTENTS

1. Chairperson's Report
2. Directors Report
3. Auditor's Independence Declaration
4. Statement of Comprehensive Income
5. Statement of Financial Position
6. Statement of Changes in Equity
7. Statement of Cash Flow
8. Notes to the Financial Statements
9. Directors' Declaration
10. Independent Audit Report

A MESSAGE FROM THE BOARD CHAIR

On being questioned about which is the greatest law, Jesus replied,

'Love the Lord your God with all your heart and with all your soul and with all your mind'. This is the first and greatest commandment. And a second is like this; 'Love your neighbor as yourself'.

Matthew 22:37-39

'Together we can do more'

Three years ago CBM had a name change, and with that came the six values that we have adopted for our organization. Christian, International, Professional, Integrity, Communication and being Inclusive. Two years ago, as an international organization we celebrated our 100th year, and as a national organization our 50th year.

- In the wake of what was a challenging year for CBM our organisation has learnt some valuable lessons, emerging stronger and more determined to pursue God's work: CBM's core values continue to unite our resolve and strengthen our purpose through difficult times.
- CBM's leadership continues to inspire by example and encourage our passionate staff and volunteers to maintain their commitment to helping people with disabilities in the poorest countries.
- Knowing that through prayer and faith, all things are possible.

As the times and seasons of governments change and the people's focus is redirected, we found that we had new opportunities into which we could move. Our consistent and long term hard work with advocacy and sound professional proposals have seen CBM obtain increased funding from the government for a number of new programs over the next three years.

As a result of sound and sustainable international project work, and an outward looking focus from within the Australian community, we have been fully accredited with AusAID for another 5 years. We are very grateful to the Australian government for their financial help in the past and we look forward to working with them in the future. We are also grateful to The Charitable Foundation for their partnership with CBM in our work in Rwanda, Tanzania and Kenya.

Our work with the Nossal Institute is a different type of partnership, one where we contribute our skills and competencies to train and educate other organizations and community groups within Australia about being inclusive.

Our Luke 14 project has been hugely innovative and successful, within the Australian community, and also amongst the other CBM member associations.

Our talking book library service, delivered through the Vision Australia Information Library Service (VAILS) continues to provide high quality Christian literature to those Australians who have difficulty reading print.

I would like to thank all of the dedicated, passionate and competent staff of CBM Australia for their consistent and loyal efforts, not to mention all the volunteers whose actions have spoken as clearly and as strongly as their words by donating their time and energy for the work of CBM. For John Jeffries, our long serving and tireless CEO, who has led us through the many challenges of 2009, thank you.

As a volunteer board, our members have worked consistently hard as they engaged in the extra demands of the increasing strategic and governance requirements of our society. I would like to thank them for their support of myself in my first year as chair.

In May 2009, we welcomed Jane Furniss and Chris Groom to the board and we bid farewell to Wolfgang Fischer, our chair for over 10 years. However we are delighted that Wolfgang continues to serve on the International Board of CBM.

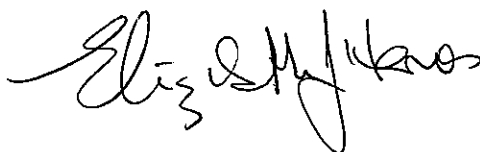
We are very grateful to the thousands of caring and committed CBM supporters around Australia who have intentionally kept CBM as their 'preferred providers' of community aid and development, not only financially and in acts of compassion and service, but most importantly, in prayer.

We invite you and your friends to engage with us as we help create a world where every member is encouraged to reach their God given potential, a world, which is 'Inclusive'.

May God Bless you all as 'we walk the walk and talk the talk' into 2010,

Elizabeth Hamer

Board Chair

A handwritten signature in black ink, appearing to read 'Elizabeth Hamer', written in a cursive style.

CBM AUSTRALIA
A.B.N. 23 005 326 849
DIRECTORS' REPORT

The directors are pleased to present their report on CBM Australia ("CBM") for the year ended 31 December 2009.

BOARD DIRECTORS

The names of board directors in office at any time during or since the end of the year are:

Melvin William (Bill) Austin	Peter Bickerton
Wolfgang Fischer (Retired May 2009)	Jane Furniss (Appointed May 2009)
Chris Groom (Appointed May 2009)	Elizabeth Hamer
Lawrence Horder	David Lang
Wilma Zegelis	

Board directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

OBJECTIVES AND PRINCIPAL ACTIVITIES

CBM Australia's vision is for an inclusive world in which all persons with disabilities enjoy their human rights and achieve their full potential. To achieve this, the principal activities of CBM are the alleviation of poverty for people with disabilities through the provision of development services for and the promotion of the rights and needs of people with visual and other disabilities overseas and in Australia.

There was no significant change in the nature of the CBM's principal activity during the financial year.

OPERATING RESULTS

The net result of CBM for the year of operation ending on 31 December 2009 was a deficit of \$4,652,071 (in 2008 it was a deficit of \$3,842,755). This was a result of lower than expected income during the year and the fulfilment of budgeted and additional project payments committed to earlier in 2008. Also significantly impacting the final result were reductions in the value of investments of \$1,712,699. Of this amount, \$1,303,875 is expected to be recouped as markets rebound.

REVIEW OF OPERATIONS

CBM Australia has been able to improve and extend its services to people with a disability in many developing countries and in Australia. These services include medical, educational, rehabilitation and community outreach programs in 145 projects in over 45 countries and regions. In Australia, CBM continues to contribute the Christian content to the national talking book service facilitated by Vision Australia.

CBM is also playing a significant leadership role in inclusive development to promote, advocate, increase awareness and develop capacity with the Australian public and NGO's in disability and development. This includes providing the secretariat for the Australian Disability and Development Consortium, partnership with the Nossal Institute of Public Health (University of Melbourne) for training and research and the Luke 14 program to support Australian churches in being disability inclusive.

In 2009, CBM also responded to disasters in the Philippines and Indonesia.

PERFORMANCE MEASUREMENT

The Board of CBM Australia receives regular reports from management regarding progress in achieving strategic goals. Measures used to monitor performance comprise both financial and non-financial indicators. This includes monthly summary financial reports with key performance ratios.

CBM AUSTRALIA
A.B.N. 23 005 326 849
DIRECTORS' REPORT

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs for the year ended 31 December 2009.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of CBM, the results of those operations, or the state of affairs of CBM in future financial years.

INFORMATION ON DIRECTORS

Melvin William (Bill) Austin

Qualifications

- BSc (Hons) Civil Engineering Leeds University 1973
- MSc, DIC, Engineering Rock Mechanics, Imperial College, London University 1981
- Fellow of the Institution of Engineers, Australia, Member of the Institution of Civil Engineers, UK
- Fellow of the Australian Institution of Company of Directors

Experience

- Board Member since May 2008
- Director of Halcrow Pacific Pty Limited since 1993

Special Responsibilities

- Former Member of the Future Views Committee, current Chair of the Finance and Audit Committee, and Member of the International Programmes / Inclusive Development Committee

Peter Bickerton

Qualifications

- Bachelor of Applied Science (Built Environment)
- Graduate Diploma in Architecture, Fellow of the Australian Institute of Architects, Registered Builder

Experience

- Board member since 1996. Director of Bickerton Masters Architecture since 1997

Special Responsibilities

- Member of the Board Development and Human Resource Committee
- Deputy Chairman

Wolfgang Fischer

Qualifications

- Bachelor of Science (Honours)

Experience

- Board member since 1994, Chairman since 1998, Managing Director of several companies

Special Responsibilities

- Chairman of CBM e.V. Board, Member of the CBM e.V. Audit & Finance and Personnel Committees, Chair of the CBM e.V. Board Nomination Committee
- Chairman of CBMI Board, Member of the CBMI Audit & Finance and Personnel Committees
- Chairman of Directors- CBM Australia, Chair of the Finance and Audit Committee and Member of the Board Development and Human Resource Committee (until May 2009).

Retired from CBM Australia Board in May 2009

CBM AUSTRALIA
A.B.N. 23 005 326 849
DIRECTORS' REPORT

Jane Furniss

Qualifications

- Master of International Development
- Bachelor of Laws (Hons)
- Bachelor of Arts

Experience

- Board Member since May 2009
- International Director of Micah Network

Special Responsibilities

- Chair of the International Programs / Inclusive Development Committee

Christopher Groom

Qualifications

- Master of Business (International Business)
- Bachelor of Economics
- Graduate Diploma of Education
- CPA, Australian Society of Certified Practising Accountants

Experience

- Board Member since May 2009

Special Responsibilities

- Guest on the International Programs / Inclusive Development Committee and current Member of the Finance & Audit and Future Views Committees

Elizabeth Hamer

Qualifications

- Bachelor of Dental Science
- Member of the Australian Dental Association
- Graduate of the Australian Institute of Company Directors (AICD)

Experience

- Board Member since 1999. Director of two private companies

Special Responsibilities

- Chairman of Directors – CBM Australia (from May 2009).
- Former member of the International Programs / Inclusive Development Committee and the Future Views Committee, current Member of the Board Development and Human Resource Committee, and the Finance and Audit Committee

Lawrence Horder

Qualifications

- Bachelor of Arts, Major Psychology
- Member Australian Human Resources Institute
- Senior Human Resource roles in large Corporate organisations

Experience

- Board member since 2006

Special Responsibilities

- Chair of the Board Development and Human Resource Committee, Member of the International Programmes / Inclusive Development Committee
- CBM Assembly Delegate 2009

CBM AUSTRALIA
A.B.N. 23 005 326 849
DIRECTORS' REPORT

David Lang

Qualifications

- Airline Pilot
- Registered Building Practitioner

Experience

- Board member since 2000

Special Responsibilities

- Former Chair and current member of the International Programs / Inclusive Development Committee and Chair of the Future Views Committee

Wilma Zegelis

Qualifications

- Master of Arts (Theology)
- Bachelor of Ministries
- Baptist Pastor

Experience

- Board member since 2006

Special Responsibilities

- Former member of International Programs / Inclusive Development Committee, current Member of the Future Views Committee and Board Development and Human Resources Committee

CBM AUSTRALIA
A.B.N. 23 005 326 849
DIRECTORS' REPORT

MEETINGS OF DIRECTORS

During the 2009 calendar year, 18 meetings of directors (including committees) were held.
Attendances were:

	Board		Finance & Audit Committee		Board Development & Human Resource Committee		International Programs / Inclusive Development Committee		Future Views Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Bill Austin	4	3	5	4			1	1	1	1
Peter Bickerton	4	4			4	4				
Wolfgang Fischer *	2	2	3	2	2	2				
Jane Furniss**+	2	2					1	1		
Christopher Groom**+	2	2	1	1					1	1
Elizabeth Hamer ***	4	4	3	3	4	4	1	1	1	1
Lawrence Horder	4	3			4	3	1	1		
David Lang	4	4					2	2	2	2
Wilma Zegelis	4	3			1	1	1	1	2	2

*Retired from Board 25 May, 2009

**Nominated as a Board member 25 May, 2009

***The Board Chair attended 6 additional Committee meetings as a guest

+Attended 1 International Programs / Inclusive Development Committee as a guest

CBM AUSTRALIA
A.B.N. 23 005 326 849
DIRECTORS' REPORT

DIVIDENDS AND OPTIONS

The company is precluded from the declaration or payment of dividends by its Constitution. Any accumulated reserves remaining on winding up the company are to be distributed to like not for profit organisations. The company is a company limited by guarantee and as such cannot issue options.

LIKELY DEVELOPMENTS

The board does not have any future plans to change the operations of the company that will materially effect the financial statements that have not already been disclosed.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

INDEMNIFYING OFFICERS

During or since the end of the financial year CBM has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

CBM Australia has paid a premium to insure each of the board directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of board director or officer of CBM, other than conduct involving a wilful breach of duty in relation to CBM. The total amount of the premium was \$18,395.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of CBM Australia or intervene in any proceedings to which CBM is a party for the purpose of taking responsibility on behalf of CBM for all or any part of those proceedings.

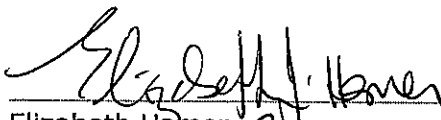
CBM Australia was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

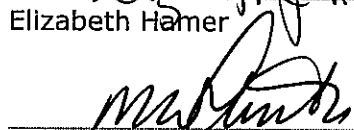
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

Signed in accordance with a resolution of the Board of Directors.

Director


Elizabeth Hamer

Director


MELVIN W (BILL) AUSTIN

Dated this

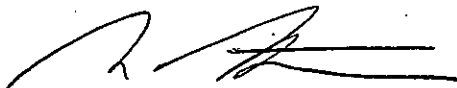
22nd day of MARCH 2010.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CBM AUSTRALIA**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2009, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

SAWARD DAWSON
Chartered Accountants



Partner: Tim Flowers

Date: 22 March 2010

Blackburn, Victoria

CBM AUSTRALIA
A.B.N. 23 005 326 849
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
REVENUE			
Donations & gifts - monetary & non-monetary		19,905,097	23,130,351
Legacies & bequests		1,540,685	2,223,165
Grants received			
- AusAID		3,527,807	1,761,487
- Other Australian		13,842	21,059
- Other Overseas		0	0
Investment income		724,065	916,416
Other Income		140,163	60,731
Total revenue	2	<u>25,851,659</u>	<u>28,113,209</u>
EXPENSES			
Overseas projects			
- Funds to overseas projects		17,215,114	20,439,717
- Gifts in kind		780,899	400,967
- Other project costs		1,205,369	1,121,097
Domestic projects			
- Audio library		319,956	420,855
- Aborigines Welfare Fund		87,500	124,131
Community education		1,666,846	1,286,580
Fundraising costs			
- Public		3,619,115	4,121,946
- Government multilateral and private		150,499	70,534
Administration		5,458,432	3,970,137
Total expenses	3	<u>30,503,730</u>	<u>31,955,964</u>
Surplus/(Deficit) from Operating Activities		<u>(4,652,071)</u>	<u>(3,842,755)</u>
Other comprehensive income:			
Net movement in the financial assets reserve		<u>2,627,463</u>	<u>(1,951,960)</u>
Other comprehensive income for the year		<u>2,627,463</u>	<u>(1,951,690)</u>
Total comprehensive income for the year		<u>(2,024,608)</u>	<u>(5,794,445)</u>

The accompanying notes form part of these financial statements.

CBM AUSTRALIA
A.B.N. 23 005 326 849
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	7	5,720,625	5,773,874
Trade and other receivables	8	192,457	907,238
Inventories	9	0	641,695
Financial assets	10	5,858,622	6,341,085
Other current assets	11	90,956	0
Total current assets		<u>11,862,660</u>	<u>13,663,892</u>
NON-CURRENT ASSETS			
Property, plant and equipment	12	5,809,191	6,085,395
Other		0	0
Total non-current assets		<u>5,809,191</u>	<u>6,085,395</u>
Total assets		<u>17,671,851</u>	<u>19,749,287</u>
CURRENT LIABILITIES			
Trade and other payables	13	2,807,142	2,702,345
Other current liabilities	11	0	110,840
Short term provisions	14	751,901	798,004
Total current liabilities		<u>3,559,043</u>	<u>3,611,189</u>
NON-CURRENT LIABILITIES			
Long term provisions	14	77,853	78,535
Payables		0	0
Other		0	0
Total non-current liabilities		<u>77,853</u>	<u>78,535</u>
Total liabilities		<u>3,636,896</u>	<u>3,689,724</u>
Net assets		<u>14,034,955</u>	<u>16,059,563</u>
EQUITY			
Perpetual trusts		162,000	162,000
Financial Assets Reserve		2,564	(2,624,900)
Bequest reserve		1,631,566	1,572,971
General reserve		3,840,289	3,673,499
Committed funds reserve	15	8,398,536	13,275,993
Retained surplus		0	0
Total equity		<u>14,034,955</u>	<u>16,059,563</u>

The accompanying notes form part of these financial statements.

CBM AUSTRALIA
A.B.N. 23 005 326 849
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Retained Surplus	Committed Funds Reserve	Bequest Reserve
		\$	\$	\$
Balance at 1 January 2008		-	16,169,309	1,547,867
Excess of revenue over expenses		(3,842,755)		
Transfers to and from reserves				
- committed funds reserve		2,893,316	(2,893,316)	
- bequest reserve		(25,104)		25,104
- general reserve		974,542		
- perpetual trusts				
Balance at 1 January 2009		<u>-</u>	<u>13,275,993</u>	<u>1,572,971</u>
Excess of revenue over expenses		(4,652,071)		
Transfers to and from reserves				
- committed funds reserve		4,877,457	(4,877,457)	
- bequest reserve		(58,596)		58,595
- general reserve		(166,790)		
- perpetual trusts				
Balance at 31 December 2009		<u>(0)</u>	<u>8,398,536</u>	<u>1,631,566</u>

	General Reserve	Financial Assets Reserve	Perpetual Trusts	Total
	\$	\$	\$	\$
Balance at 1 January 2008	4,648,041	(673,210)	162,000	21,854,007
Excess of revenue over expenses				(3,842,755)
Transfers to and from reserves				-
- committed funds reserve				-
- bequest reserve				-
- general reserve	(974,542)			-
- perpetual trusts				-
Revaluation increment/(decrement)		(1,951,690)		(1,951,690)
Balance at 1 January 2009	<u>3,673,499</u>	<u>(2,624,900)</u>	<u>162,000</u>	<u>16,059,562</u>
Excess of revenue over expenses				(4,652,071)
Transfers to and from reserves				-
- committed funds reserve				-
- bequest reserve				-
- general reserve	166,790			-
- perpetual trusts				-
Investment Impairments within				
Retained Deficit		1,741,980		1,741,980
Revaluation increment/(decrement)		885,484		885,484
Balance at 31 December 2009	<u>3,840,289</u>	<u>2,564</u>	<u>162,000</u>	<u>14,034,955</u>

The accompanying notes form part of these financial statements.

CBM AUSTRALIA
A.B.N. 23 005 326 849
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Donations		20,009,067	22,131,003
Receipts from appropriations/grants		4,187,736	2,223,165
Bequests		2,117,485	2,841,417
Other		205,991	205,945
<i>Payments</i>			
Suppliers, Wages and salaries		(10,615,822)	(9,504,209)
Payments to overseas projects		(18,559,687)	(21,730,423)
Other		-	-
<i>Net cash provided by (used in) operating activities</i>	6	<u>(2,655,230)</u>	<u>(3,833,102)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(142,967)	(765,665)
Proceeds from sale of property, plant and equipment			43,162
Interest & Investment Income received		433,169	306,273
Proceeds on sale of investment securities		2,311,779	7,094,024
Payment for investments		-	(3,644,132)
Other		-	-
<i>Net cash provided by (used in) investing activities</i>		<u>2,601,981</u>	<u>3,033,662</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Other financing movements		-	-
<i>Net cash provided by (used in) financing activities</i>		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		(53,249)	(799,440)
Cash at the beginning of the year		5,773,874	6,573,314
CASH AT END OF YEAR	7	<u><u>5,720,625</u></u>	<u><u>5,773,874</u></u>

The accompanying notes form part of these financial statements.

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the company CBM Australia, a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of CBM Australia complies with all Australian equivalents to International Financial Reporting Standards (IFRS) to the extent applicable.

The following is a summary of the material accounting policies adopted by CBM in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Income Tax

The income of CBM is exempt from income tax under current legislation. No provision for tax has been made for the year ended 31 December 2009.

CBM has Australian Tax Office endorsement as a charity with public benevolent institution status. It operates the CBM Australia Library Fund, the CBM Australia Overseas Development Fund and the CBM Australia Aboriginal Welfare Fund, donations to any of which are tax deductible. CBM Australia is also the trustee for the CBMI Eternal Giving Gift Fund, which is also a Designated Gift Recipient fund.

b. Inventories

Gifts In Kind (GIK) inventory consists of material donated for distribution to overseas projects. Inventory is measured at the lower of current replacement cost and net realisable value. For fundraising purposes, the CBM Australia Gifts in Kind program is known as Second Chance Medical Equipment (SCME). This program was discontinued in 2009 with remaining stock distributed through CBM and non-CBM program partners.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant, equipment and motor vehicles are measured on the cost basis less depreciation and impairment losses.

Land and buildings are measured on the cost basis less depreciation and impairment losses.

The carrying amount of all assets is reviewed annually by directors to ensure that it is not in excess of the recoverable amount from these assets.

The depreciable amount of all fixed assets including buildings is depreciated on a straight line basis over their useful lives to CBM commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Plant, equipment and motor vehicles.	From 12.5% to 33.33%
Buildings (inc. improvements)	3.33%

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to CBM are classified as finance leases.

CBM Australia does not have any material finance leases.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e. Financial Instruments

Recognition

Financial Instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available for sale financial assets

Available-for-sale financial assets include any financial assets not included in the above category. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to the Financial Assets Reserve.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments.

Impairment

At each reporting date, CBM assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, under AASB 139, a "significant or prolonged" decline in the value of the instrument is the test when determining whether impairment has occurred. Consistent with current industry practice, CBM considers "significant" impairment as being greater than 20% of original cost. "Prolonged" decline is deemed to occur when the period of decline exceeds the minimum holding period of the underlying investments. Impairment losses are recognised in the Statement of Comprehensive Income.

CBM Australia has received advice from our fund managers, JB Were, regarding the performance of our current investments and recovery prospects. The current market decline is reflected in the Financial Assets Reserve (refer Note 1m). Two funds within the CBM portfolio are in the process of being wound up and capital returned. Another five funds have also experienced prolonged decline and have longer term recovery prospects. On this basis, in 2009 we have recorded impairment adjustments in the Statement of Comprehensive Income for the unrealised losses of these funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

f. Impairment of Assets

At each reporting date, the directors review the carrying values of assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Other than financial assets identified in note 1 e. above, no impaired assets were identified at 31 December 2009.

g. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the entity is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the translation of monetary items are recognised in the income statement. However, for international project payments, CBM Australia makes a commitment in Australian dollars only and the exchange variation risk is assumed by CBMeV in Germany, who facilitate all project payments in Euro, USD and other functional currencies. For internal management purposes, CBM Australia records exchange variation in internal accounts as the difference between the budget rate that the AUD commitment was made for the current year's expenditure and the actual rate the funds were converted into Euro by CBMeV. This enables CBM Australia to monitor transfers against the original project pledge in AUD.

In accordance with Accounting Standards for Foreign Exchange rates, a final year end foreign exchange rate adjustment has been to the CBMeV trust account value in AUD, based on current market rates of Euro to Australian Dollar at 31st December 2009.

h. Employee Benefits

Provision is made for CBM's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated cash flows based on the probability of those cash flows occurring.

Contributions are made by CBM to employee superannuation funds and are charged as expenses when incurred.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments (including term deposits) able to be readily convertible to known amounts of cash with minimal risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet. The directors have deemed long-term term deposits to be cash and cash equivalents as they can be withdrawn at short notice with minimal interest penalty.

j. Revenue

Donations are recognised when received.

Bequest donations are recognised when the funds are received. CBM Australia has a number of bequest notifications at any point in time, but the exact amount of the bequest usually is not known until the bequest distribution is actually received. In accordance with AASB 7, the exception is when CBM Australia is advised of a specific measurable amount and can establish that probate has been granted and the Estate will not be contested.

Government grants are recognised as income when invoiced to the extent that amounts invoiced relate to the year of income. Where funds relate to future years' activities and there is an obligation to repay those funds if not they are spent for the approved purpose then such funds are recognised as a liability until they are expended.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Investment revenue is recognised through the year when distributions are advised by fund managers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Donations of Gifts in Kind are recognised as income based on a valuation upon the receipt of the goods.

k. Overseas project payments

Because most CBM Australia overseas projects involve medium to long term arrangements with partner organisations, CBM budgets for payments to overseas projects up to 20 months in advance. The expected level of contribution is based on forecast income levels for the current year, given the difficulty of being able to predict future years' patterns of donations.

Consequently, for internal management purposes, a key performance ratio is the proportion of current year project payments to prior year income.

l. Perpetual Trust Reserve

A number of perpetual trusts have been established with CBM Australia as trustee, the income of which is donated to CBM. This reserve reflects the capital available in the perpetual trusts.

m. Financial Assets Reserve

The Financial Assets Reserve exists to recognise the unrealised movement in market value of financial assets as at year end.

n. Committed Funds Reserve

The Board of CBM has established a policy of raising the level of the Committed Funds Reserve to approximate the value of the expected payments for overseas projects in the following year, that are to be met from donation income. This policy is seen as a prudent means of minimising impacts of variations in levels of donations on planned project activity (generally medium to long term in nature).

For 2009, the Reserve balance has been reduced, reflecting the use of committed funds reserves for 2009 project payments and expected reduced project payments in 2010.

o. Bequest Reserve

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

The Bequest Reserve has been created to preserve value in CBM to meet unforeseen circumstances. The account balance represents the average value of bequests for the last four years.

p. General Reserve

The General Reserve was created for the purpose of preserving funds in the organisation for income generation activities in support of administrative functions. Changes each year are made from non donation income.

q. 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 Australian Taxation 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 balance sheet are shown inclusive of GST.

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

r. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

s. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within CBM.

Key estimates — Impairment

CBM assesses impairment at each reporting date by evaluating conditions specific to CBM that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

An impairment has been recognised in respect of seven financial assets for the year ended 31 December 2009.

Key judgments — Doubtful debts provision

A review was conducted of accounts receivable at 31 December 2009 which determined that all debts were recoverable in full. Consequently, no provision for debtor impairment has been made at 31 December 2009.

Key judgments — Income in advance / unexpended grants

Grants received in advance represents 2009/10 ANCP funds received from AusAID but unspent at the end of the financial year. Under the terms of the contract in place with AusAID, such funds are to be returned if they are not spent. The directors believe that this represents a liability and has been recorded as such as at 31 December 2009.

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 2: REVENUE	2009	2008
	\$	\$
Operating activities		
Donations	19,826,337	22,228,254
Bequests	1,540,685	2,223,165
Interest revenue from other entities	98,072	199,426
Investment Income	625,992	716,990
Government grants received	3,541,649	1,782,546
Gifts in Kind	78,760	902,097
Other revenue	140,163	60,731
	25,851,659	28,113,209
Non-operating activities		
	0	0
	25,851,659	28,113,209

NOTE 3: EXCESS OF REVENUE OVER EXPENSES FROM ORDINARY ACTIVITIES

Included in Total Expenses are the following items:

	2009	2008
	\$	\$
Expenses:		
Rental expenses on operating leases	13,991	23,739
Exchange Gain & Loss	71,406	0
Loss on Sale of Property Plant & Equipment	3,612	19,913
Impairment Loss on Financial Assets	1,712,699	0
Depreciation	371,575	356,079
Employee Benefits	5,184,475	4,927,631

Significant Revenue and Expenses:

Rental expenses recorded under Overseas Project expenditure in the Statement of Comprehensive Income.

Loss on Sale of Property, Impairment of Assets and Depreciation recorded under Administration Expenditure in the Statement of Comprehensive Income.

Foreign Currency Gains and losses are the translation of current market exchange rates at year end for foreign currency account held in trust with CBMeV. Refer Note 1.g.

Rental in 2009 is for SCME Warehouse only.

Impairment losses as per AASB 139. Refer note 1.e.

There were no other significant revenue or expense items or write offs requiring further explanation.

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

2008

John Jeffries (Chief Executive Officer)
 Andrew Kay (Supporter Partnerships Director) (Resigned 27 October 2008)
 David Lewis (International Field Director)
 Stephen Lockrey (Operations Director and Company Secretary)
 Ron Pitcher (Human Resources Director)
 Kirsty Thompson (Inclusive Development Director) (Appointed 1 July 2008)
 Heath McSolvin (Supporter Partnerships Director) (Appointed 6 November 2008)

2009

John Jeffries (Chief Executive Officer)
 David Lewis (International Field Director)
 Stephen Lockrey (Operations Director and Company Secretary)
 Ron Pitcher (Human Resources Director)
 Kirsty Thompson (Inclusive Development Director)
 Heath McSolvin (Communications (formerly: Supporter Partnerships) Director)

	Gross	Super-	Long Service	
	Salaries	annuation	Leave	
			Entitlements	
			(Accrued in	
	\$	\$	year)	Total
			\$	\$
2009				
Total compensation	706,669	156,635	17,933	881,236
2008				
Total compensation	615,221	155,396	18,875	789,492

No key management personnel (management director) of CBM Australia has received, or has become entitled to receive, a benefit or remuneration benefit because of a contract that the management director, or a firm of which the management director is a member, or an entity in which the management director has a substantial financial interest, has made with CBM Australia during the year ended 31 December 2009 or at any other time.

NOTE 5: AUDITORS' REMUNERATION

	2009	2008
	\$	\$
Remuneration of the auditor of CBM for:		
— auditing or reviewing the financial report	14,075	14,075
— assistance with financial statement preparation	7,701	5,345
— auditing or reviewing of other regulatory reports	1,925	2,875

NOTE 6: RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT

	2009	2008
	\$	\$
Operating result	(4,652,071)	(3,842,755)
<i>Non cash items in profit</i>		
Depreciation & amortisation	371,575	356,079
Loss (Profit) on disposal of investments	18,191	125,454
Loss (Profit) on sale of non-current assets	47,597	19,913
Impairment of Investments	1,698,129	-
Reinvested investment income	(256,173)	(675,496)
Interest and investment income	(433,169)	(306,273)
Allocation of cash asset to term deposit	(662,000)	-
<i>Changes in net assets</i>		
Movement in current payables	(69,121)	58,422
Movement in other current liabilities	242,611	1,058,871
Movement in employee provisions	(46,785)	168,317
Movement in current receivables	646,087	(572,100)
Movement in current inventories	641,695	(454,892)
Movement in other current assets	(201,796)	231,358
<i>Net cash used in operating activities</i>	<u>(2,655,230)</u>	<u>(3,833,102)</u>

NOTE 7: CASH & CASH EQUIVALENTS

	2009	2008
	\$	\$
Cash at bank and in hand	2,019,004	4,873,205
Short-term bank deposits	3,701,621	900,669
	<u>5,720,625</u>	<u>5,773,874</u>

The short-term deposits can be withdrawn at short notice with minimal interest penalty. The effective interest rate on short-term bank deposits was 4.38% (2008 was 5.89%).

NOTE 8: RECEIVABLES

	2009	2008
	\$	\$
CURRENT		
Trade receivables	24,093	40,272
Accrued interest	76,147	58,057
Bequest Receivable	0	576,800
GST & Imputation Credits Receivable	92,217	232,109
	<u>192,457</u>	<u>907,238</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

There are no balances within trade and other receivables that contain assets that are impaired and are past due and therefore no provision for Bad or Doubtful Debts has been raised. It is expected that these balances will be received when due.

Credit Risk - Trade and Other Receivables:

CBM does not have any material credit risk exposure to any single receivable or group of receivables.

NOTE 9: INVENTORIES

	2009	2008
	\$	\$
CURRENT		
Inventories at current replacement value	0	641,695
	<u>0</u>	<u>641,695</u>

CBM Australia distributed all remaining donated supplies during the course of 2009.

NOTE 10: FINANCIAL ASSETS

	2009	2008
	\$	\$
CURRENT		
Available For Sale Financial Assets		
Units held in Listed Managed funds	68,868	65,627
Units held in Unlisted Managed funds	5,127,754	6,275,458
Held to Maturity Financial Assets	662,000	0
	<u>5,858,622</u>	<u>6,341,085</u>

Available-for-sale financial assets comprise investments of units in listed and unlisted managed funds. There are no fixed returns or fixed maturity dates attached to these investments.

Held to Maturity financial assets comprise bank term deposits.

The change in market values of investments reflects the redemption of some investments to fund project commitments and changes in market values (Note 1.e,m – Asset Revaluation reserve).

NOTE 11: OTHER CURRENT LIABILITIES & ASSETS

Other current assets / (liabilities) comprise Project Advances which represent funds advanced to CBMeV (Germany) to meet project commitments which have not yet been spent. Funds are kept in a separate Deutsche Bank trust account.

As at 31 December 2009, the account had a positive balance funds balance.

	2009	2008
	\$	\$
Prepaid project advances	90,956	-
Project advances accrued	-	(110,840)
	<u>90,956</u>	<u>(110,840)</u>

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	2009	2008
	\$	\$
Plant, equipment and motor vehicles		
Cost	904,633	1,086,031
Accumulated depreciation	(510,525)	(600,430)
	<u>394,108</u>	<u>485,601</u>
Land and buildings		
Cost	6,319,298	6,316,840
Accumulated depreciation	(904,215)	(717,046)
	<u>5,415,083</u>	<u>5,599,794</u>
TOTAL	<u>5,809,191</u>	<u>6,085,395</u>

(a) Movements in Carrying Amounts - 2009	Freehold land	Buildings	Plant, Equipment and Motor Vehicles	Total
Balance at 1 January 2009	1,084,280	4,515,515	485,601	6,085,395
Additions	0	2,457	140,509	142,967
Disposals	0	0	(47,597)	(47,597)
Depreciation expense	0	(187,169)	(184,405)	(371,575)
Carrying amount at the end of the year	<u>1,084,280</u>	<u>4,330,803</u>	<u>394,108</u>	<u>5,809,191</u>

Movements in Carrying Amounts - 2008	Freehold land	Buildings	Plant, Equipment and Motor Vehicles	Total
Balance at 1 January 2008	1,084,280	4,344,385	310,219	5,738,884
Additions	0	355,085	390,515	745,600
Disposals	0	0	(43,010)	(43,010)
Depreciation expense	0	(183,955)	(171,124)	(356,079)
Carrying amount at the end of the year	<u>1,084,280</u>	<u>4,515,515</u>	<u>485,601</u>	<u>6,085,395</u>

NOTE 13: TRADE & OTHER PAYABLES

	2009	2008
	\$	\$
CURRENT		
Trade payables	217,865	359,679
Unsecured liabilities	164,500	160,500
Grants received in advance	2,424,777	2,182,166
	<u>2,807,142</u>	<u>2,702,345</u>

Grants received in advance represents 2009/10 ANCP funds received from AusAID but unspent at the end of the financial year. Under the terms of the contract in place with AusAID, such funds are to be returned if not spent. According to current project expenditure plans, it is expected that the funds will be fully utilised in the first half of 2010.

Unsecured liabilities are interest free loans from donors, repayable at call.

NOTE 14: PROVISIONS

	2009	2008
	\$	\$
Employee entitlements		
Opening balance	876,539	708,222
Additional provisions raised during year	404,587	449,937
Amounts used	(451,372)	(281,620)
Closing balance	<u>829,754</u>	<u>876,539</u>
Analysis of total provisions		
Current	<u>751,901</u>	<u>798,004</u>
Non-current	<u>77,853</u>	<u>78,535</u>
	<u>829,754</u>	<u>876,539</u>
Employee numbers		
Part time	32	28
Full time	45	53
	<u>77</u>	<u>81</u>

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.

NOTE 15: COMMITTED FUNDS

Committed Funds	2009	2008
	\$	\$
Committed Funds - General	6,422,831	10,702,335
Committed Funds - Iraq	3,846	10,280
Committed Funds - Women's Health	1,460,318	1,944,734
Committed Funds - Other Emergencies	511,540	618,643
	<u>8,398,536</u>	<u>13,275,993</u>
 MOVEMENTS DURING THE YEAR		
Opening balance	13,275,993	16,169,309
Transferred from retained earnings	(4,877,457)	(2,893,316)
Net movement during year	<u>(4,877,457)</u>	<u>(2,893,316)</u>
 Closing balance	<u>8,398,536</u>	<u>13,275,993</u>

The committed funds reserve has been created to minimise the impacts of variations in the levels of donations on planned project activity (generally medium to long term in nature). It is intended that the level of reserves be set at the amount of expected direct project expenditure on overseas projects in the following year. In 2009, there was a reduction in reserves to fund existing commitments. The commitments for 2010 have been re-adjusted in light of reduced project commitments.

NOTE 16: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

Non cancellable operating leases contracted for but not capitalised in the financial statements.

	2009	2008
	\$	\$
Payable –minimum lease payments		
- not later than 12 months	0	1,985
- between 12 months and 5 years	0	0
- greater than 5 years	0	0
	<u>0</u>	<u>1,985</u>

The property lease for 35 Lusher Road, Croydon concluded in 2009 with the closure of the SCME program in 2009.

NOTE 17: FINANCIAL INSTRUMENTS

a. Financial Risk Management

CBM's financial instruments consist mainly of cash, short term bank deposits, investments in managed funds, accounts receivable and payable, advances for project payments, grants in advance, interest free loans from supporters and operating leases.

The purpose of financial instruments is to maintain value for future project commitments with any surpluses used to offset administration and fund raising costs.

CBM does not have any derivative instruments at 31 December 2009.

The main risks the company is exposed to through its financial instruments are market risk, liquidity risk and credit risk. Risks are managed on a day to day basis by the Operations Director and the Finance Manager operating within guidelines determined by the Finance and Audit Committee of the Board and with advice from JBWere who manage CBM Australia's investment fund portfolio. The Finance Committee reviews the guidelines at its meetings as well as reviewing specific investments and performance through regular reporting and direct advice from JBWere.

Foreign currency risk

The vast majority of overseas project payments are budgeted and remitted in Australian dollars. Risks associated with any change in purchasing power due to fluctuations in foreign currencies are managed by our overseas associate CBMeV, a German resident entity that administers projects on behalf on the independent CBM national associations. A small number of overseas payments are made in foreign currency, but based on an Australian Dollar budget. As a result, CBM has minimal exposure to fluctuations in foreign currencies.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company does not have any material credit risk exposure as the major source of revenue is the receipt of donations and grants.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high quality. Aggregates of such amounts are as detailed in Note 8.

The company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 8.

Credit risk related to balances with banks and other financial institutions is managed by the Finance and Audit Committee in accordance with the investment policy approved by the Board.

Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

- Preparing forward looking cashflow analysis in relation to its operational, investing and financing activities and ensuring that adequate cash reserves are maintained for operational purposes and
- Ensuring that the level of cash and investments at the end of a financial year are approximately equal to expected project expenditure for the next financial year and
- Only investing surplus cash in accordance with the investment policy approved by the Board and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below (page 28) reflects an undiscounted contractual maturity analysis for financial liabilities. Cashflows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore be different from that disclosed. The timing of cashflows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Trade payables are expected to be paid within three months.

Market risk

i. Interest rate risk exposure

CBM does not have any interest bearing liabilities. There is no plan to change this practice.

CBM's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the table below on page 28.

ii. Price Risk

Price risk relates to the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in the market prices of securities held. The company is exposed to securities price risk on the investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

Sensitivity Analysis

CBM Australia has performed a sensitivity analysis relating to interest rate risk at balance date.

This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 31 December 2009, the effect on the surplus/(deficit) and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	Profit	Equity
	\$	\$
<i>Year Ended 31 December 2009</i>		
- Increase/Decrease in interest rate by 2%	+/- 114,413	
- Increase/Decrease in listed investments by 10%		+/-585,862
<i>Year Ended 31 December 2008</i>		
- Increase/Decrease in interest rate by 2%	+/-115,477	
- Increase/Decrease in listed investments by 10%		+/- 634,109

No sensitivity analysis has been performed on foreign exchange risk as the company is not exposed to foreign currency fluctuations.

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Fixed interest maturing in:				Non interest bearing	Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years		
		\$	\$	\$	\$	\$	\$
2009							
Financial Assets							
Cash assets	7		5,720,625				5,720,625
Receivables	8					192,121	192,121
Investments	10		662,000			5,196,622	5,858,622
Other Current Financial Assets	11					90,956	90,956
		0	6,382,625	0	0	5,479,699	11,862,324
Weighted average interest rate			4.38%				
Financial Liabilities							
Trade creditors	13					217,865	217,865
Interest free loans	13					164,500	164,500
Grants In Advance	13					2,424,777	2,424,777
Other Current Financial Liabilities	11					0	0
		0	0	0	0	2,807,142	2,807,142
2008							
Financial Assets							
Cash assets	7		5,773,874				5,773,874
Receivables	8					907,238	907,238
Investments	10					6,341,085	6,341,085
Other Current Financial Assets	11						
		0	5,773,874	0	0	7,248,323	13,022,197
Weighted average interest rate			5.89%				
Financial Liabilities							
Trade creditors	13					359,679	359,679
Interest free loans	13					160,500	160,500
Grants In Advance	13					2,182,166	2,182,166
Other Current Financial Liabilities	11					110,840	110,840
		0	0	0	0	2,813,185	2,813,185

Fair Value Estimation

The net fair values of listed investments have been valued at the quoted redeemable value at balance date adjusted for transaction costs expected to be incurred. For other assets and liabilities the net fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2009		2008	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Available for sale financial assets at fair value	5,196,622	5,196,622	6,341,085	6,341,085
Held to maturity financial assets	662,000	662,000	0	0
<i>Total financial assets</i>	<u>5,858,622</u>	<u>5,858,622</u>	<u>6,341,085</u>	<u>6,341,085</u>

Available-for-sale financial assets are measured at fair value, reflecting current market value at 31 December 2009.

For other financial assets and liabilities, measured at amortised cost, the nature and timing of future cash flows was reviewed and no material differences existed between carrying value and net fair value. No discounting was performed.

NOTE 18: INTANGIBLE INCOME

Resources received in the form of voluntary help or beneficial loan arrangements, are not included in the financial statements. Nevertheless the directors recognise and appreciate the value to CBM Australia of services voluntarily given by corporations, groups and individuals.

In 2009, a number of people volunteered their time to help in CBM's international development and domestic programs as well as administration support. In 2009, volunteer hours exceeded 1000 days. The value placed on the hours volunteered by these people has been calculated, according to the requirements of the Non Government Organisations Package of Information, to be \$139,457. This contribution has not been recognised in the Statement of Comprehensive income.

NOTE 19: TRUST FUNDS

CBM Australia holds three sums of money in Trust from which income is derived and distributed to CBM. The balance of these funds at 31 December 2009 and the distributions in 2009 are as follows:

	2009	2008
	\$	\$
P & A Favaloro Charitable Trust – Held on deposit with ESANDA Investments	40,000	40,000
Distribution (26/03/2009) paid interest of 8.00% p.a.	3,200	2,667
Doug Sandell Trust – Held on deposit with ESANDA Investments	112,000	112,000
Distribution (24/03/2009) paid interest of 8.00% p.a.	8,960	7,468
Warren Trust – Held on deposit with ESANDA Investments	10,000	10,000
Distribution (17/03/2009) paid interest of 8.00% p.a.	800	640

NOTE 20: SUBSEQUENT EVENTS

There were no significant events after 31 December 2009.

NOTE 21: CAPITAL MANAGEMENT

The Finance and Audit Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cashflow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses include the consideration of debt levels.

At all times, financial assets are to exceed financial liabilities. There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

NOTE 23: CHANGES IN ACCOUNTING POLICY

During the current year, CBM Australia adopted all of the new and revised Australian Accounting Standard and interpretations applicable to its operations, which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of CBM Australia.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB101 and, as a result, there have been changes to the presentation and disclosure of certain information within the financial statements.

Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure Impact:

Terminology changes – The revised AASB101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owners changes in equity.

Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive incomes. The previous version of AASB101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income – the revised version of AAS101 introduces the concept of "other comprehensive income" which comprises of income and expenses that are not recognised in profit of loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB101 did not contain an equivalent concept.

New Accounting Standards for Application in Future Periods.

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company follows:

AASB 2008-5

Amendments to the Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing 1 January 2009) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Projects (applicable for annual reporting periods commencing 1 July 2009).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvement project. No changes are expected to materially affect the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

AASB2009-4

Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB2 and AASB138 and AASB interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB5,8,101,107,117,118,136 & 139] (applicable for annual reporting periods commencing from 1 January 2010). These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvement project. No changes are expected to materially affect the company.

AASB2009-7

Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB5,7,107,112,136 & 139 Interpretations 17] (applicable for annual reporting periods commencing on or after 1 July 2009) This standard reflects editorial changes made to a number of accounting standards by the IASB. No changes are expected to materially affect the company.

AASB Interpretation 18

Transfers of Assets from Customers (applicable for transfers of assets from customers received from 1 July 2009).

This guidance applies prospectively to entities that receive transfers of assets, such as plant and equipment, from their customers so that these customers can be connected to a network and provided with access to a supply of goods and services. The Interpretation outlines the appropriate accounting treatment of such transfers and it is not expected to impact the company.

The company does not anticipate the early adoption of any of the above reporting requirements.

NOTE 24: FINANCIAL RATIOS

Following changes in NSW legislation in the Charitable Fundraising Act 1991, the following information is no longer required, however, CBM Australia believes the information furnished is still helpful and relevant to disclose.

Fundraising activities conducted

Direct mail
Email
Major gifts program
Bequest program
Telemarketing
Media awareness

Comparisons by monetary figures and percentages	2009 \$	2008 \$
Gross income from fundraising appeals	21,445,782	25,353,516
Direct costs of fundraising appeals	3,619,115	4,121,946
Direct costs of fundraising as a percentage of gross income from fundraising appeals	16.9%	16.3%
Net surplus from fundraising appeals	17,826,667	21,231,570
Net surplus from fundraising as a percentage of gross income from fundraising appeals	83.1%	83.7%
Total cost of direct services (overseas projects, domestic projects plus community education)	21,275,684	23,793,347
Total expenditure (excluding direct costs of fundraising appeals)	26,884,615	27,834,018
Total cost of direct services as a percentage of total expenditure	79.1%	85.5%
Transfers to reserves	(4,652,071)	(3,842,755)
Total income received (including net surplus from fundraising)	22,232,544	23,920,730
Total cost of direct services as a percentage of total income received (2009 percentage due to use of reserves to fund project commitments)	95.7%	99.2%

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 25: TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

CBM's membership of the Australian Council for International Development (ACFID) requires reporting of cash movements where cash received for a designated purpose in any one financial period exceeds 10% of total revenue. During 2006, cash received for the Women's Health appeal exceeded 10% of cash received for the period. Details of cash receipts and disbursements are set out below. No other individual appeals exceeded 10% in 2009.

	Cash available at beginning of financial year	Cash raised during financial year	Cash disbursed during financial year	Cash available at end of financial year
Women's Health	1,944,734	0	484,416	1,460,318
Total for other purposes	3,829,140	29,265,227	28,834,060	4,260,307
TOTAL	5,773,874	29,265,227	29,318,476	5,720,625

Women's Health programs will focus on prevention and treatment of and rehabilitation from obstetric fistula and other women's health issues. This includes training of community workers and hospital staff and expanding treatment and rehabilitation facilities and activities.

NOTE 26: RELATED PARTY TRANSACTIONS

The legitimate out of pocket expenses of Board Directors incurred in carrying out the duties of a Board Director were reimbursed as permitted by the Constitution.

Other than the above, CBM had no related party transactions.

NOTE 27: MEMBER'S GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 December 2009 the number of members was 20.

NOTE 28: COMPANY DETAILS

The registered office of the company is:

CBM Australia
56 Rutland Road, Box Hill, Victoria 3128.
Phone 1800 678 069

The principal place of business is the same as the registered office.

Please contact CBM on 1800 678 069 should you require further information on the annual financial statements.

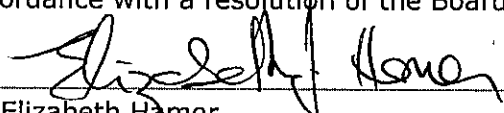
CBM AUSTRALIA
A.B.N. 23 005 326 849
DIRECTORS' DECLARATION

The directors of CBM Australia declare that:


1. The financial statements and notes, as set out on pages 10 to 34, are in accordance with the Corporations Act 2001:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2009 and of the performance for the year ended on that date of CBM;
2. In the directors' opinion there are reasonable grounds to believe that CBM 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 Board of Directors.

Director


Elizabeth Hamer

Director


MELVIN W (BILL) AUSTIN

Dated this

22nd day of MARCH 2010

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CBM AUSTRALIA LIMITED****Report on the Financial Report**

We have audited the accompanying financial report of CBM Australia, which comprises the statement of financial position as at 31 December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of CBM Australia on 22 March 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of CBM Australia is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 31 December 2009 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Saward Dawson Chartered Accountants

Name of partner: **Tim Flowers**

Blackburn, Victoria

Dated this 22 March 2010



