

# **CBM AUSTRALIA**

**ABN 23 005 326 849**



## **GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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**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 2010.

### **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 (Retired 24 May 2010)
Jane Furniss	Helen Green (Appointed 24 May 2010)
Chris Groom	Elizabeth Hamer (Board Chair)
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**

Total income of \$28.3 million was greater than 2009 (\$25.9 million). The increase was achieved primarily due to increased grant income from AusAID and stronger than expected bequest income, especially in the second half of the year. Donation income was at a pleasing level despite difficult economic circumstances. Donations included receipts of \$2.6 million for the Haiti emergency. Smaller amounts are received from investments and other sources. 2010 income also includes Grants and Other Income funding the development of disability inclusion policies.

Total expenditure for 2010 of \$23.8 million was lower than 2009 by \$6.7 million. The higher total of project payments during 2009 was achieved by running down reserves by \$4.6 million. The Board determined that this was not sustainable and overseas project commitments for 2010 were reduced to a level able to be funded from annual income. CBM spent \$2.1 million educating the public, other NGOs and government of the double impact of disability and poverty. Increased expenditure in this area follows the Board strategy to increase the effectiveness of disability development by engaging more people and organisations and reflects the implementation, within the wider development community, of inclusion in response to CBM's successful advocacy work in recent years.

The improved performance of our investments enabled the underlying amount spent on Accountability and Administration to increase by only 1% over the underlying amount spent in 2009. Fundraising expenditure of \$3.4 million was lower than 2009 (\$3.8 million). CBM Australia achieved a sound result during 2010 with a surplus of \$4.5 million compared to a deficit of \$4.7 million the previous year.

In order to minimise the impact of variations in income, the Board of CBM Australia has a policy to have liquid reserves roughly equivalent to the level of project commitments for the next financial year. Due to the use of reserves to meet project commitments over the previous 2 years, this objective had not been met. The surplus for 2010 has enabled a partial recovery of reserves towards the level determined by the Board.

At the end of 2010 CBM has a much stronger financial platform to support future activity.



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**DIRECTORS' REPORT**

Cash and investments increased by \$2.8 million and trade and other payables reduced by \$2.0 million. CBM is able to pay known debts as and when they fall due.

**STRATEGIES FOR ACHIEVING CBM AUSTRALIA'S OBJECTIVES**

CBM Australia seeks to raise funds and monitor the implementation of programs which improve and extend services to people with a disability in many developing countries and in Australia. These services include medical, educational, rehabilitation and community outreach programs around 90 projects in over 24 countries and regions. In Australia, CBM continues to contribute the Christian content to the national talking book service operated 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 2010, CBM also responded to disasters in Haiti, Pakistan and Niger.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There were no significant changes in the state of affairs for the year ended 31 December 2010.

**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

- CBM Australia Board Director since May 2008
- Director of Halcrow Pacific Pty Limited 1993-2011

Special Responsibilities

- Chair of the Finance & 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

- CBM Australia Board Director since 1996, Director of Bickerton Masters Architecture since 1997

Special Responsibilities

- Member of the Board Development & Human Resource Committee
- Deputy Chairman, Retired from the Board May, 2010

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**DIRECTORS' REPORT**

**Jane Furniss**

Qualifications

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

Experience

- CBM Australia Board Director since May 2009
- Former International Director of Micah Network

Special Responsibilities

- Chair of the International Programmes / Inclusive Development Committee

**Helen Green**

Qualifications

- Registered & General Obstetric Nurse (RGON)
- Diploma in Management Studies
- Bachelor of Social Science 1<sup>st</sup> class honours (Health Development and Policy)
- Diploma Strategic Leadership Programme (Institute of Strategic Leadership)
- Diploma of Healthcare Auditing

Experience

- Director of the International Board of CBMeV
- Chairman of the Board CBM New Zealand
- CBM Australia Board Director since May 2010 (Board guest since March, 2009)

**Christopher Groom**

Qualifications

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

Experience

- CBM Australia Board Director since May 2009

Special Responsibilities

- Member of the International Programmes / Inclusive Development Committee, Finance & Audit and Current Chair of the Innovations & Community Engagement Committee
- CBM International Assembly Delegate 2010

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**DIRECTORS' REPORT**

**Elizabeth Hamer**

Qualifications

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

Experience

- CBM Australia Board Director since 1999
- Director of two private companies

Special Responsibilities

- Chairman of Directors, CBM Australia Board (since May 2009)
- Member of the Board Development & Human Resource Committee, Finance & Audit Committee and Risk Management Working Group and Guest on the International Programmes / Inclusive Development Committee and Innovations & Community Engagement Committee

**Lawrence Horder**

Qualifications

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

Experience

- CBM Australia Board Director since 2006

Special Responsibilities

- Chair of the Board Development & Human Resource Committee, Member of the International Programmes / Inclusive Development Committee

**David Lang**

Qualifications

- Airline Pilot
- Registered Building Practitioner

Experience

- CBM Australia Board Director since 2000

Special Responsibilities

- Former Chair and current member of both the International Programmes / Inclusive Development Committee and the Innovations & Community Engagement Committee

**Wilma Zegelis**

Qualifications

- Master of Arts (Theology)
- Bachelor of Ministries
- Baptist Pastor (retired 2010)

Experience

- CBM Australia Board Director since 2006

Special Responsibilities

- Member of the Board Development & Human Resources Committee, Innovations & Community Engagement Committee, and Risk Management Working Group



**CBM AUSTRALIA**  
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**DIRECTORS' REPORT**

**MEETINGS OF DIRECTORS**

During the 2010 calendar year, 19 Director's Meetings (including committees) were held.  
Attendances were:

	Board		Finance & Audit Committee		Board Development & Human Resource Committee		International Programs / Inclusive Development Committee		Future Views Committee (renamed Innovations and Community Education 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	6	5			2	2		
Peter Bickerton*	2	2			2	2				
Jane Furniss	4	4					2	2		
Helen Green **	2	2								
Christopher Groom	4	4	6	6					3	3
Elizabeth Hamer	4	4	6	6	4	4	2	2	3	3
Lawrence Horder	4	4			4	4	2	2		
David Lang	4	4					2	2	3	3
Wilma Zegelis	4	4			4	4			3	3

\*Retired from Board 24 May, 2010

\*\*Nominated as a Board member 24 May, 2010

**CBM AUSTRALIA**  
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**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 affect 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 \$5,190.

**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**

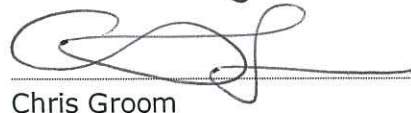
The lead auditor's independence declaration for the year ended 31 December 2010 has been received and can be found on page 7 of the financial report.

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

Director

  
Elizabeth Hamer

Director

  
Chris Groom

Dated this 21<sup>st</sup> day of March 2011.



**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 2010, 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: ..... 21 March ..... 2011

Blackburn, Victoria

**CBM AUSTRALIA**  
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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
<b>REVENUE</b>			
Donations & gifts - monetary & non-monetary			
- Monetary		18,756,109	19,826,337
- Non-monetary		650	78,760
Bequests & Legacies		2,864,840	1,540,685
Grants received			
- AusAID		5,285,038	3,527,807
- Other Australian		30,940	13,842
- Other Overseas		0	0
Investment income		661,560	724,065
Other Income		692,074	140,163
Revenue for International Political or Religious Proselytisation Programs		0	0
<b>TOTAL REVENUE</b>	<b>2</b>	<u><u>28,291,211</u></u>	<u><u>25,851,659</u></u>
<b>EXPENDITURE</b>			
<b>International Aid and Development Programs Expenditure</b>			
International programs			
- Funds to international programs		12,792,028	17,215,114
- Program Support Costs		1,172,331	1,205,369
Community education		2,066,440	1,512,979
Fundraising costs			
- Public		3,326,427	3,619,115
- Government, multilateral and private		112,725	150,499
Accountability and Administration		3,711,594	5,458,432
Non-monetary expenditure		0	780,899
<b>Total International Aid and Development Programs Expenditure</b>		<b>23,181,545</b>	<b>29,942,407</b>
Expenditure for International Political or Religious Proselytisation Programs		0	0
Domestic programs expenditure (monetary & non-monetary)			
- Audio library		322,303	319,956
- Indigenous Programs		109,558	87,500
- Christian Community Disability Inclusion		209,905	153,867
<b>TOTAL EXPENDITURE</b>	<b>3</b>	<u><u>23,823,311</u></u>	<u><u>30,503,730</u></u>
<b>EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE</b>		<u><u>4,467,900</u></u>	<u><u>(4,652,071)</u></u>
<b>Other comprehensive income:</b>			
Net movement in the financial assets reserve		123,793	2,627,463
<b>Other comprehensive income for the year</b>		<u>123,793</u>	<u>2,627,463</u>
<b>Total comprehensive income for the year</b>		<u><u>4,591,693</u></u>	<u><u>(2,024,608)</u></u>

The accompanying notes form part of these financial statements.

**CBM AUSTRALIA**  
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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	6,632,254	5,720,625
Trade and other receivables	6	432,819	192,457
Inventories	7	7,449	0
Financial Assets	8	7,716,897	5,858,622
Other financial assets	9	21,588	90,956
Total current assets		<u>14,811,007</u>	<u>11,862,660</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		0	0
Other financial assets		0	0
Property, plant and equipment	10	5,630,020	5,794,911
Investment property	10	14,280	14,280
Intangibles		0	0
Other non-current assets		0	0
Total non-current assets		<u>5,644,300</u>	<u>5,809,191</u>
<b>TOTAL ASSETS</b>		<u>20,455,306</u>	<u>17,671,851</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	816,555	2,807,142
Borrowings		0	0
Current tax liabilities		0	0
Other financial liabilities		0	0
Provisions	12	906,303	751,901
Total current liabilities		<u>1,722,858</u>	<u>3,559,043</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		0	0
Other financial liabilities		0	0
Provisions	12	115,799	77,853
Other		0	0
Total non-current liabilities		<u>115,799</u>	<u>77,853</u>
<b>TOTAL LIABILITIES</b>		<u>1,838,658</u>	<u>3,636,896</u>
<b>NET ASSETS</b>		<u>18,616,648</u>	<u>14,034,955</u>
<b>EQUITY</b>			
Perpetual trusts		152,000	162,000
Financial Assets Reserve		126,357	2,564
Bequest reserve		2,000,573	1,631,566
General reserve		3,855,733	3,840,289
Committed funds reserve	13	12,481,985	8,398,536
Retained surplus		0	0
<b>TOTAL EQUITY</b>		<u>18,616,648</u>	<u>14,034,955</u>

The accompanying notes form part of these financial statements.



**CBM AUSTRALIA**  
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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010**

Note	Retained Surplus \$	Committed Funds Reserve \$	Bequest Reserve \$
<b>Balance at 1 January 2009</b>	-	13,275,993	1,572,971
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			
<b>Balance at 1 January 2010</b>	<u>(0)</u>	<u>8,398,536</u>	<u>1,631,566</u>
Excess of revenue over expenses	4,467,900		
Transfers to and from reserves			
- committed funds reserve	(4,083,449)	4,083,449	
- bequest reserve	(369,007)		369,007
- general reserve	(15,444)		
- perpetual trusts			
<b>Balance at 31 December 2010</b>	<u>-</u>	<u>12,481,985</u>	<u>2,000,573</u>

	General Reserve \$	Financial Assets Reserve \$	Perpetual Trusts \$	Total \$
<b>Balance at 1 January 2009</b>	3,673,499	(2,624,900)	162,000	16,059,562
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
<b>Balance at 1 January 2010</b>	<u>3,840,289</u>	<u>2,564</u>	<u>162,000</u>	<u>14,034,955</u>
Excess of revenue over expenses				4,467,900
Repayment of Trust Funds			(10,000)	(10,000)
Transfers to and from reserves				-
- committed funds reserve				-
- bequest reserve				-
- general reserve	15,444			-
- perpetual trusts				-
Investment Impairments within Retained Surplus		146,558		146,558
Revaluation increment/(decrement)		(22,765)		(22,765)
<b>Balance at 31 December 2010</b>	<u>3,855,733</u>	<u>126,357</u>	<u>152,000</u>	<u>18,616,648</u>

The accompanying notes form part of these financial statements.

**CBM AUSTRALIA**  
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**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Receipts</i>			
Donations		18,564,134	20,009,067
Receipts from appropriations/grants		2,946,763	4,187,736
Bequests		2,408,050	2,117,485
Interest & Investment Income received		661,560	433,169
Other		692,074	205,991
<i>Payments</i>			
Suppliers, Wages and salaries		(6,264,570)	(8,541,520)
Payments to Overseas projects		(13,964,359)	(18,559,687)
Payments to Domestic projects & Community Education		(2,708,206)	(2,074,302)
Other		-	-
<i>Net cash provided by (used in) operating activities</i>		<u>2,335,446</u>	<u>(2,222,061)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(234,202)	(142,967)
Proceeds from sale of property, plant and equipment		-	-
Proceeds on sale of investment securities		1,128,774	2,311,779
Payment for investments		(2,540,050)	-
Other		221,661	-
<i>Net cash provided by (used in) investing activities</i>		<u>(1,423,817)</u>	<u>2,168,812</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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		911,629	(53,249)
Cash at the beginning of the year		5,720,625	5,773,874
<b>CASH AT END OF YEAR</b>	<b>5</b>	<u><u>6,632,254</u></u>	<u><u>5,720,625</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**

CBM Australia has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards — Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Financial statements have also been prepared in accordance with the requirements set out in the Australian Council For International Development (ACFID) Code of Conduct. For further information on the Code, please refer to the ACFID Code of Conduct Guidance Document available at [www.acfid.asn.au](http://www.acfid.asn.au).

**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 2010.

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**

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

**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.



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

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:

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. 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.



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

***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 position 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 four funds have also experienced prolonged decline and have longer term recovery prospects. On this basis, in 2010 we have recorded impairment adjustments in the Statement of Comprehensive Income for the unrealised losses of these funds.

**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 2010.

**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 31<sup>st</sup> December 2010.



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

**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.

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 they are not 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**

As 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.



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

**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 2010, the Reserve balance has been increased, replenishing amounts drawn down to meet previous years' project commitments.

**o. Bequest Reserve**

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 five financial assets for the year ended 31 December 2010.

***Key judgments — Doubtful debts provision***

A review was conducted of accounts receivable at 31 December 2010 which determined that all debts were recoverable in full. Consequently, no provision for debtor impairment has been made at 31 December 2010.

***Key judgments — Income in advance / unexpended grants***

Grants received in advance represent Australian Blindness Initiative funds received from AusAID for 2011 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 2010.

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

<b>NOTE 2: REVENUE</b>	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Operating activities</b>		
Donations	18,756,109	19,826,338
Bequests	2,864,840	1,540,685
Interest revenue from other entities	209,943	98,072
Investment Income	451,617	625,992
Government grants received	5,315,978	3,541,649
Gifts in Kind	650	78,760
Other revenue	692,074	140,163
	<b>28,291,211</b>	<b>25,851,659</b>
<b>Non-operating activities</b>		
	0	0
	<b>28,291,211</b>	<b>25,851,659</b>

**NOTE 3: EXCESS OF REVENUE OVER EXPENSES FROM ORDINARY ACTIVITIES**

Included in Total Expenses are the following items:

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Expenses:</b>		
Rental expenses on operating leases	18,029	13,991
Exchange Gain & Loss	875	71,406
Loss on Sale of Property Plant & Equipment	3,421	3,612
Impairment Loss on Financial Assets	146,558	1,712,699
Depreciation	391,187	371,575
Employee Benefits	5,422,218	5,184,475



**CBM AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

**NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION**

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Key management personnel compensation	974,421	881,236
Number of key management personnel	7	6

No key management personnel 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 2010 or at any other time.

**NOTE 5: CASH & CASH EQUIVALENTS**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	2,662,639	2,019,004
Short-term bank deposits	3,969,615	3,701,621
	<b><u>6,632,254</u></b>	<b><u>5,720,625</u></b>

The short-term deposits can be withdrawn at short notice with minimal interest penalty. The effective interest rate on short-term bank deposits was 6.11% (2009 was 4.38%).

**NOTE 6: RECEIVABLES**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Trade receivables	194,597	24,093
Accrued interest	80,847	76,147
Bequest Receivable	0	0
GST & Imputation Credits Receivable	157,375	92,217
	<b><u>432,819</u></b>	<b><u>192,457</u></b>

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.



**CBM AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

**NOTE 7: INVENTORIES**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Inventories at current replacement value	7,449	0
	<u><b>7,449</b></u>	<u><b>0</b></u>

Current inventories consist of campaign stock held on 31 December 2010 that will be used in 2011 fundraising and community education programs.

**NOTE 8: FINANCIAL ASSETS**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Available-for-sale financial assets		
- Units held in Listed Funds	68,399	68,868
- Units held in Unlisted funds	6,836,498	5,127,754
Held-to-maturity financial assets	812,000	662,000
TOTAL CURRENT FINANCIAL ASSETS	<u><b>7,716,897</b></u>	<u><b>5,858,622</b></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 9: OTHER CURRENT ASSETS**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Prepaid project advances	21,588	90,956
Project advances accrued	-	-
	<u><b>21,588</b></u>	<u><b>90,956</b></u>

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 2010, the account had a positive balance funds balance.

**CBM AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

**NOTE 10: PROPERTY, PLANT AND EQUIPMENT**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Plant, equipment and motor vehicles</b>		
Cost	985,590	904,633
Accumulated depreciation	(642,813)	(510,525)
	<u>342,777</u>	<u>394,108</u>
<b>Land and buildings</b>		
Cost	6,393,346	6,319,298
Accumulated depreciation	(1,091,823)	(904,215)
	<u>5,301,523</u>	<u>5,415,083</u>
<b>TOTAL</b>	<u><b>5,644,300</b></u>	<u><b>5,809,191</b></u>

<b>(a) Movements in Carrying Amounts – 2010</b>	<b>Freehold land</b>	<b>Buildings</b>	<b>Plant, Equipment and Motor Vehicles</b>	<b>Total</b>
Balance at 1 January 2010	1,084,280	4,330,803	394,108	5,809,191
Additions/Revaluations	0	74,047	168,397	242,444
Disposals	0	0	(16,148)	(16,148)
Depreciation expense	0	(187,608)	(203,579)	(391,187)
Carrying amount at the end of the year	<u>1,084,280</u>	<u>4,217,242</u>	<u>342,778</u>	<u><b>5,644,300</b></u>
<b>Movements in Carrying Amounts – 2009</b>	<b>Freehold land</b>	<b>Buildings</b>	<b>Plant, Equipment and Motor Vehicles</b>	<b>Total</b>
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)	(47,596)
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><b>5,809,191</b></u>

Land & buildings include two plots of land donated in 2001 in NSW. The land is zoned Non Urban and no significant change in value will be realised until re-zoning and redevelopment takes place.

**CBM AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

**NOTE 11: TRADE & OTHER PAYABLES**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Trade payables	581,505	217,865
Unsecured liabilities	193,000	164,500
Grants received in advance	42,050	2,424,777
	<u><b>816,555</b></u>	<u><b>2,807,142</b></u>

Grants received in advance represent Australian Blindness Initiative funds received from AusAID for 2011 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 2011.

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

**NOTE 12: PROVISIONS**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Employee entitlements</b>		
Opening balance	829,754	876,539
Additional provisions raised during year	538,224	404,587
Amounts used	(345,876)	(451,372)
Closing balance	<u>1,022,102</u>	<u>829,754</u>
<b>Analysis of total provisions</b>		
Current	906,303	751,901
Non-current	115,799	77,853
	<u>1,022,102</u>	<u>829,754</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.



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

**NOTE 13: COMMITTED FUNDS**

<b>Committed Funds</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Committed Funds - General	8,885,032	6,422,831
Committed Funds - Iraq	3,846	3,846
Committed Funds - Women's Health	1,025,497	1,460,318
Committed Funds - Haiti	1,681,118	0
Committed Funds - Other Emergencies	886,491	511,540
	<u>12,481,985</u>	<u>8,398,536</u>
 MOVEMENTS DURING THE YEAR		
Opening balance	8,398,536	13,275,993
Transferred from retained earnings	4,083,449	(4,877,457)
Net movement during year	<u>4,083,449</u>	<u>(4,877,457)</u>
 Closing balance	<u><b>12,481,985</b></u>	<u><b>8,398,536</b></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 2010, there was an increase in reserves for special appeals and replenishing of reserves drawn down to meet previous years' commitments.

**NOTE 14: CAPITAL AND LEASING COMMITMENTS**

**Operating lease commitments**

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

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Payable -minimum lease payments		
- not later than 12 months	43,010	0
- between 12 months and 5 years	172,040	0
- greater than 5 years	0	0
	<u><b>215,050</b></u>	<u><b>0</b></u>

Operating leases consist primarily of office printing equipment.

**NOTE 15: 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 and to generate income to offset administration and fund raising costs.

CBM does not have any derivative instruments at 31 December 2010.

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.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	<b>Note</b>	<b>2010</b>	<b>2009</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets</b>			
Cash and cash equivalents	5	6,632,254	5,720,625
Loans and receivables	6	432,819	192,457
Financial assets at fair value through profit or loss	8	0	0
Available-for-sale financial assets	8	6,904,897	5,196,622
Held-to-maturity investments	8	812,000	662,000
Other Current Financial Assets	9	21,588	90,956
<b>Total financial assets</b>		<b>14,803,558</b>	<b>11,862,660</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
— trade and other payables	11	816,555	2,807,142
— borrowings	11	0	0
<b>Total financial liabilities</b>		<b>816,555</b>	<b>2,807,142</b>

**Net Fair Values**

- (i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss the fair values have been based on closing quoted bid prices at the end of the reporting period.

In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

- (ii) Fair values of held-to-maturity investments are based on cost.



**CBM AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

**NOTE 16: 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 2010, a number of people volunteered their time to help in CBM's international development and domestic programs as well as administration support. In 2010, volunteer hours exceeded 1120 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 \$154,277. This contribution has not been recognised in the Statement of Comprehensive income.

**NOTE 17: 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 2010 and the distributions in 2010 are as follows:

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>P &amp; A Favaloro Charitable Trust</b> – Held on deposit with ANZ through ESANDA Term Deposits	40,000	40,000
Distribution (26/03/2010) paid interest of 3.65% p.a.	1,460	3,200
<b>Doug Sandell Trust</b> –Held on deposit with ANZ through ESANDA Term Deposits	112,000	112,000
Distribution (24/03/2010) paid interest of 3.65% p.a.	4,088	8,960
<b>Warren Trust</b> – Held on deposit with ANZ through ESANDA Term Deposits	0	10,000
Distribution (17/03/2010) paid interest of 3.60% p.a.	360	800
Funds in the Warren trust were returned to the donor in 2010.		

**NOTE 18: SUBSEQUENT EVENTS**

There were no significant events after 31 December 2010.

**NOTE 19: CHANGES IN ACCOUNTING POLICY**

During the current year, CBM Australia has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010. Refer Note 1. A number of notes in these financial accounts have accordingly been affected.

There were no other changes in Accounting Policy.



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

**NOTE 20: 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

<b>Comparisons by monetary figures and percentages</b>	<b>2010 \$</b>	<b>2009 \$</b>
Gross income from fundraising appeals	21,621,599	21,445,782
Direct costs of fundraising appeals	3,326,427	3,619,115
Direct costs of fundraising as a percentage of gross income from fundraising appeals	15.4%	16.9%
Net surplus from fundraising appeals	18,295,172	17,826,667
Net surplus from fundraising as a percentage of gross income from fundraising appeals	84.6%	83.1%
Total cost of direct services (overseas projects, domestic projects plus community education)	16,672,565	21,275,684
Total expenditure (excluding direct costs of fundraising appeals)	20,496,884	26,884,615
Total cost of direct services as a percentage of total expenditure	81.3%	79.1%
Transfers to/(from) reserves	4,467,900	(4,652,071)
Total income received (including net surplus from fundraising)	24,964,784	22,232,544
Total cost of direct services as a percentage of total income received (2009 percentage due to use of reserves to fund project commitments)	66.8%	95.7%

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

**NOTE 21: 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. Details of cash receipts and disbursements are set out below. No other individual appeals exceeded 10% in 2010.

	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	1,460,318	0	434,821	1,025,497
Total for other purposes	4,260,307	26,623,016	25,276,566	5,606,757
<b>TOTAL</b>	<b>5,720,625</b>	<b>26,623,016</b>	<b>25,711,387</b>	<b>6,632,254</b>

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 22: 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 23: 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 2010 the number of members was 21.

**NOTE 24: 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:

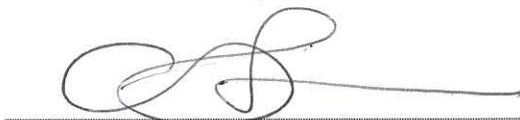
1. The financial statements and notes, as set out on pages 8 to 26, are in accordance with the Corporations Act 2001:
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 31 December 2010 and of the performance 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

  
Chris Groom

Dated this ..... 21<sup>st</sup> ..... day of ..... March ..... 2011





**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 2010 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 21 March 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.





**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
CBM AUSTRALIA LIMITED*****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 2010 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: 21 March 2011

