



CBM Australia
ABN: 23 005 326 849

Financial Statements for the year ended
31 December 2011

CBM AUSTRALIA

ABN 23 005 326 849



GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

TABLE OF CONTENTS

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

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 2011.

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 (Board Chair) Jane Furniss (Resigned 21 May 2011)

Helen Green Chris Groom

Elizabeth Hamer (Retired 23 May 2011) Lawrence Horder

David Lang Philip Ratcliff (Appointed 23 May 2011)

Benjamin Smith (Appointed 23 May 2011) 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 \$28.0 million was less than 2010 (\$28.3 million).

Overall donation income of \$17.4m was \$1.4m lower than 2010 primarily due to a lower emergency donations component (lower by \$2.7M). The lower donation total had been anticipated by management and the overall shortfall to budget was \$0.3 million.

Bequest income of \$2.5 million was lower than 2010 but exceeded budget expectations, more than offsetting the lower donation total.

Government income of \$6.3 million exceeded the \$5.3 million received 2010. The additional funding was received from AusAID, following signing of a partnership agreement between CBM and AusAID. Income from investments was \$1.1 million (up from \$0.7 million in 2010) as a result of increased investment values coupled with healthy returns.

Total expenditure for 2011 of \$28.4 million was higher than 2010 by \$4.6 million.

Project payments increased by \$2.7 million during 2011, reflecting an increased commitment for 2011 programs, partly due to new AusAID funding anticipated and received during the year. CBM spent \$2.5 million educating the public, other NGOs and government of the double impact of disability and poverty. This continues the Board strategy for increased emphasis of engaging more people and organisations to respond to the double impact of disability and poverty.

During the year a review of costing processes was undertaken to more correctly attribute costs to the activities to which they relate. Consequently the underlying level of Accountability & Administration expenses has reduced to \$3.4 million. Included in this total is a write down of investment values, due to market movements, of \$0.8 million. This write-down is required by accounting standards but the value is expected to recover over time, based on advice from our investment manager.

Fundraising expenditure of \$5.0 million was higher than 2010 (\$3.4 million) due to an investment in new programs and the changes in cost attribution referred to above.

CBM Australia recorded an underlying operating surplus of \$0.3 million before the write down of investment values; this was in line with management expectations.

The overall result was a deficit of \$0.45 million compared to a surplus of \$4.5 million the previous year.

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

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. This objective has largely been met.

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 99 projects in 26 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 2011, CBM also responded to disasters in East Africa and the Philippines.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs for the year ended 31 December 2011.

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

- Chairman of Directors, CBM Australia Board (since May 2011)
- Member of the Board Development & Human Resources Committee, Finance & Audit Committee, and International Programmes / Inclusive Development Committee

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

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

Special Responsibilities

- Chair of the International Programmes / Inclusive Development Committee
- Resigned from the Board 21 March 2011

Helen Green

Qualifications

- Registered & General Obsteric Nurse (RGON)
- Diploma in Management Studies
- Bachelor of Social Science 1st 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/CBMI
- Chairman of the Board CBM New Zealand
- CBM Australia Board Director since May 2010 (Board guest since March, 2009)
- Chairman of International Forum of Board Chairs, CBMI
- Former CEO Of World Vision New Zealand

Special Responsibilities

- Member of the Finance & Audit Committee, and International Programmes/Inclusive Development Committee

Christopher Groom

Qualifications

- Master of Busines (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

- Chair of the Finance & Audit and member of the Innovations & Community Engagement Committees
- CBM Assembly Delegate 2011, Member of the CBMeV/CBMI International Finance Committee

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
- Retired from the Board 23 May 2011

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

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

Ben Smith

Qualifications

- Bachelor of Social Work (Hons)
- Master of Public Health
- Doctor of Philosophy

Experience

- CBM Australia Board Director since 2011
- Senior roles in community development, public health program design and management, program evaluation, and academia

Special Responsibilities

- Technical adviser and trainer to UN on public health
- Chair of International Programmes/Inclusive Development Committee, and Member of the Board Development Committee

Philip Ratcliff

Qualifications

- Bachelor of Commerce
- Director of Ratcliff & Associates
- Chairman & Committee Member North Eastern Prayer Breakfast

Experience

- CBM Australia Board Director since 2011
- Owner of software development company
- Senior IT roles in industry

Special Responsibilities

- Chair of Risk Management Committee, and Member of the Finance & Audit Committee

Wilma Zegelis

Qualifications

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

Experience

- CBM Australia Board Director since 2006

Special Responsibilities

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

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

MEETINGS OF DIRECTORS

During the 2011 calendar year, 21 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)		Risk Management Committee	
	Eligible to Attend	Attended	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	2	2	2	2			2	1
Jane Furniss*	1	1										
Helen Green	4	4	2	1					2	1		
Christopher Groom	4	4	5	5					2	2		
Elizabeth Hamer**	2	2	3	3	2	2					2	2
Lawrence Horder	4	3			4	4	2	2				
David Lang	4	4					2	1	2	2		
Philip Ratcliff***	2	2	1	-							2	2
Ben Smith***	2	2					2	2				
Wilma Zegelis	4	4			2	1			2	2	4	4

*Resigned from Board 21 March 2011

**Retired from Board 23 May 2011

***Nominated as a Board member 23 May 2011

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 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 \$5,713.

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.

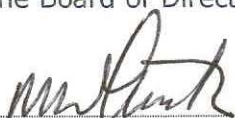
CBM Australia was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

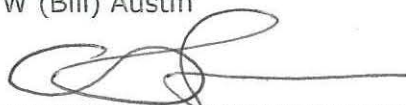
The lead auditor's independence declaration for the year ended 31 December 2011 has been received and can be found on page 7 of the financial report.

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

Director


M W (Bill) Austin

Director


Chris Groom

Dated this 20th day of March 2012.

**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 2011, 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: Peter Shields

Date: 20 March 2012

Blackburn, Victoria

CBM AUSTRALIA
A.B.N. 23 005 326 849
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
REVENUE			
Donations & gifts - monetary & non-monetary			
- Monetary		17,357,195	18,756,109
- Non-monetary		0	650
Bequests & Legacies		2,457,159	2,864,840
Grants received			
- AusAID		6,322,868	5,285,038
- Other Australian		0	30,940
- Other Overseas		0	0
Investment income		1,089,602	661,560
Other Income		736,727	692,074
Revenue for International Political or Religious Proselytisation Programs		0	0
TOTAL REVENUE	2	<u>27,963,551</u>	<u>28,291,211</u>
EXPENDITURE			
International Aid and Development Programs Expenditure			
International programs			
- Funds to international programs		14,655,510	12,792,028
- Program Support Costs		2,021,441	1,172,331
Community education		2,554,341	2,066,440
Fundraising costs			
- Public		4,940,650	3,326,427
- Government, multilateral and private		105,105	112,725
Accountability and Administration	19	3,435,441	3,711,594
Non-monetary expenditure		0	0
Total International Aid and Development Programs Expenditure		<u>27,712,488</u>	<u>23,181,545</u>
Expenditure for International Political or Religious Proselytisation Programs		0	0
Domestic programs expenditure (monetary & non-monetary)		705,203	641,766
TOTAL EXPENDITURE	3	<u>28,417,691</u>	<u>23,823,311</u>
EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE		<u>(454,140)</u>	<u>4,467,900</u>
Other comprehensive income:			
Net movement in the financial assets reserve		18,641	123,793
Other comprehensive income for the year		18,641	123,793
Total comprehensive income for the year		<u>(435,498)</u>	<u>4,591,693</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 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	8,424,661	6,632,254
Trade and other receivables	6	461,420	432,819
Inventories	7	0	7,449
Financial Assets	8	10,792,263	7,716,897
Other financial assets	9	64,699	21,588
Total current assets		<u>19,743,043</u>	<u>14,811,007</u>
NON-CURRENT ASSETS			
Trade and other receivables		0	0
Other financial assets		0	0
Property, plant and equipment	10	5,456,535	5,630,020
Investment property	10	14,280	14,280
Intangibles		0	0
Other non-current assets		0	0
Total non-current assets		<u>5,470,815</u>	<u>5,644,300</u>
TOTAL ASSETS		<u>25,213,858</u>	<u>20,455,307</u>
CURRENT LIABILITIES			
Trade and other payables	11	5,809,000	816,555
Borrowings		0	0
Current tax liabilities		0	0
Other financial liabilities		0	0
Provisions	12	1,014,569	906,303
Total current liabilities		<u>6,823,569</u>	<u>1,722,858</u>
NON-CURRENT LIABILITIES			
Borrowings		0	0
Other financial liabilities		0	0
Provisions	12	209,140	115,799
Other		0	0
Total non-current liabilities		<u>209,140</u>	<u>115,799</u>
TOTAL LIABILITIES		<u>7,032,709</u>	<u>1,838,659</u>
NET ASSETS		<u>18,181,149</u>	<u>18,616,648</u>
EQUITY			
Perpetual trusts		152,000	152,000
Financial Assets Reserve		144,997	126,357
Bequest reserve		2,127,262	2,000,573
General reserve		3,855,733	3,855,733
Committed funds reserve	13	11,901,156	12,481,985
Retained surplus/(Loss)		0	0
TOTAL EQUITY		<u>18,181,149</u>	<u>18,616,648</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 2011

	Note	Retained Surplus	Committed Funds Reserve	Bequest Reserve
		\$	\$	\$
Balance at 1 January 2010		-	8,398,536	1,631,566
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				
Balance at 1 January 2011		<u>-</u>	<u>12,481,985</u>	<u>2,000,573</u>
Excess of revenue over expenses		(454,140)		
Transfers to and from reserves				
- committed funds reserve		580,829	(580,829)	
- bequest reserve		(126,690)		126,690
- general reserve				
- perpetual trusts				
Balance at 31 December 2011		<u>-</u>	<u>11,901,156</u>	<u>2,127,263</u>

	General Reserve	Financial Assets Reserve	Perpetual Trusts	Total
	\$	\$	\$	\$
Balance at 1 January 2010	3,840,289	2,565	162,000	14,034,955
Excess of revenue over expenses				4,467,900
			(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)
Balance at 1 January 2011	<u>3,855,733</u>	<u>126,358</u>	<u>152,000</u>	<u>18,616,648</u>
Excess of revenue over expenses				(454,140)
Repayment of Trust Funds				-
Transfers to and from reserves				-
- committed funds reserve				-
- bequest reserve				-
- general reserve				-
- perpetual trusts				-
Investment Impairments within Retained Surplus		772,942		772,942
Revaluation increment/(decrement)		(754,301)		(754,301)
Balance at 31 December 2011	<u>3,855,733</u>	<u>144,997</u>	<u>152,000</u>	<u>18,181,149</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 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Donations		17,337,887	18,564,134
Receipts from appropriations/grants		11,111,919	2,946,763
Bequests		2,457,159	2,408,050
Interest & Investment Income received		1,065,548	661,560
Other		736,727	692,074
<i>Payments</i>			
Suppliers, Wages and salaries		(7,734,849)	(6,264,570)
Payments to Overseas projects		(16,664,259)	(13,964,359)
Payments to Domestic projects & Community Education		(3,247,652)	(2,708,206)
Other		-	-
<i>Net cash provided by (used in) operating activities</i>		<u>5,062,480</u>	<u>2,335,446</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(192,384)	(234,202)
Proceeds from sale of property, plant and equipment		-	-
Proceeds on sale of investment securities			1,128,774
Payment for investments		(3,551,312)	(2,540,050)
Redemption of Term Deposit		500,000	
Other		(26,377)	221,661
<i>Net cash provided by (used in) investing activities</i>		<u>(3,270,073)</u>	<u>(1,423,817)</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		1,792,407	911,629
Cash at the beginning of the year		6,632,254	5,720,625
CASH AT END OF YEAR	5	<u><u>8,424,661</u></u>	<u><u>6,632,254</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 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 adopts 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. In 2011, a review of the basis of allocating some costs to the different cost categories occurred and the 2010 comparative results have been adjusted within the ACFID expense categories (refer to Note 19). For further information on the Code, please refer to the ACFID Code of Conduct Guidance Document available at 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 2011.

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 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.

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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%

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.

At 31 December 2011, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers in 2011 and do not believe there has been a significant change in the assumptions at 31 December 2011. The directors therefore believe the carrying value of the land correctly reflects the fair value less cost to sell at 31 December 2011.

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 2011

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. Five funds have also experienced material market value decline in 2011 and have longer term recovery prospects. On this basis, in 2011 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 2011.

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 2011.

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011

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 2011, the Reserve balance has been decreased reflecting expenditure of funds in 2011, which had been committed for emergency programs at the end of 2010.

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 seven financial assets for the year ended 31 December 2011.

Key judgments – Doubtful debts provision

A review was conducted of accounts receivable at 31 December 2011 which determined that all debts were recoverable in full. Consequently, no provision for debtor impairment has been made at 31 December 2011.

Key judgments – Income in advance / unexpended grants

Grants received in advance represent funds received from AusAID in 2011 for expenditure in 2012 programs. This includes funding for three programs under the Umbrella Agreement with AusAID. 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 2011.

CBM AUSTRALIA
A.B.N. 23 005 326 849

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

NOTE 2: REVENUE	2011	2010
	\$	\$
Operating activities		
Donations	17,357,195	18,756,109
Bequests	2,457,159	2,864,840
Interest revenue from other entities	90,733	209,943
Investment Income	998,869	451,617
Government grants received	6,322,868	5,315,978
Gifts in Kind	0	650
Other revenue	736,727	692,074
	<u>27,963,551</u>	<u>28,291,211</u>
Non-operating activities		
	<u>0</u>	<u>0</u>
	<u>27,963,551</u>	<u>28,291,211</u>

NOTE 3: EXPENSES FROM ORDINARY ACTIVITIES

Included in Total Expenses are the following items:

	2011	2010
	\$	\$
Expenses:		
Rental expenses on operating leases	39,391	18,029
Exchange Gain & Loss	3,018	875
Loss on Sale of Property Plant & Equipment	2,093	3,421
Loss on Financial Asset	45,466	16,835
Impairment Loss on Financial Assets	772,942	129,723
Depreciation	405,053	391,187
Employee Benefits	6,587,268	5,422,218

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2011	2010
	\$	\$
Key management personnel compensation	1,142,209	974,421
Number of key management personnel	7	7

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 2011 or at any other time.

NOTE 5: CASH & CASH EQUIVALENTS

	2011	2010
	\$	\$
Cash at bank and in hand	7,924,661	2,662,639
Short-term bank deposits	500,000	3,969,615
	<u>8,424,661</u>	<u>6,632,254</u>

In 2010, Short term bank deposits included At Call Cash balances, this was included in Cash at bank and in hand in current year. In 2011, Short term bank deposits include At Call cash management accounts. The effective interest rate on short-term bank deposits was 6.11% (2010 was also 6.11%).

NOTE 6: RECEIVABLES

	2011	2010
	\$	\$
CURRENT		
Trade receivables	208,905	194,597
Accrued interest	84,881	80,847
Other Receivables	966	0
GST & Imputation Credits Receivable	166,668	157,375
	<u>461,420</u>	<u>432,819</u>

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 7: INVENTORIES

	2011	2010
	\$	\$
CURRENT		
Inventories at current replacement value	0	7,449
	<u>0</u>	<u>7,449</u>

Prior year inventories consist of campaign stock held on 31 December that will be used in the coming financial year for fundraising and community education programs. There were no current inventories at 31 December 2011.

NOTE 8: FINANCIAL ASSETS

	2011	2010
	\$	\$
CURRENT		
Available-for-sale financial assets		
- Units held in Listed Funds	53,879	68,399
- Units held in Unlisted funds	8,276,384	6,836,498
Held-to-maturity financial assets	2,462,000	812,000
TOTAL CURRENT FINANCIAL ASSETS	<u>10,792,263</u>	<u>7,716,897</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

	2011	2010
	\$	\$
Prepaid project advances	64,699	21,588
	<u>64,699</u>	<u>21,588</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 2011, the account had a positive balance funds balance.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2011 \$	2010 \$
Plant, equipment and motor vehicles		
Cost	1,049,860	985,590
Accumulated depreciation	(786,681)	(642,813)
	<u>263,179</u>	<u>342,777</u>
Land and buildings		
Cost	6,491,810	6,393,346
Accumulated depreciation	(1,284,174)	(1,091,823)
	<u>5,207,636</u>	<u>5,301,523</u>
TOTAL	<u>5,470,815</u>	<u>5,644,300</u>

(a) Movements in Carrying Amounts – 2011	Freehold land	Buildings	Plant, Equipment and Motor Vehicles	Total
Balance at 1 January 2011	1,084,280	4,217,242	342,778	5,644,300
Additions/Revaluations	0	98,465	172,808	271,272
Disposals	0	0	(39,705)	(39,704)
Depreciation expense	0	(192,351)	(212,702)	(405,053)
Carrying amount at the end of the year	<u>1,084,280</u>	<u>4,123,356</u>	<u>263,179</u>	<u>5,470,815</u>
Movements in Carrying Amounts – 2010	Freehold land	Buildings	Plant, Equipment and Motor Vehicles	Total
Balance at 1 January 2010	1,084,280	4,330,803	394,108	5,809,191
Additions	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>5,644,300</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.

NOTE 11: TRADE & OTHER PAYABLES

	2011	2010
	\$	\$
CURRENT		
Trade payables	783,899	581,505
Unsecured liabilities	194,000	193,000
Grants received in advance	4,831,101	42,050
	<u>5,809,000</u>	<u>816,555</u>

Grants received in advance represent funds received from AusAID in 2011 for expenditure in 2012 programs. This includes three programs funding under the Umbrella Agreement with AusAID. Under the terms of the contract in place with AusAID, such funds are to be returned if they are not spent. According to current project expenditure plans, it is expected that the funds will be fully utilised in the 2012.

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

NOTE 12: PROVISIONS

	2011	2010
	\$	\$
Employee entitlements		
Opening balance	1,022,102	829,754
Additional provisions raised during year	677,128	538,224
Amounts used	(475,521)	(345,876)
Closing balance	<u>1,223,709</u>	<u>1,022,102</u>
Analysis of total provisions		
Current	1,014,569	906,303
Non-current	209,140	115,799
	<u>1,223,709</u>	<u>1,022,102</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 2011

NOTE 13: COMMITTED FUNDS

Committed Funds	2011	2010
	\$	\$
Committed Funds - General	10,406,410	8,885,032
Committed Funds - Women's Health	415,689	1,025,497
Committed Funds - Haiti	0	1,681,118
Committed Funds - Horn of Africa	631,326	0
Committed Funds - Other Emergencies	447,731	890,338
	<u>11,901,156</u>	<u>12,481,985</u>
 MOVEMENTS DURING THE YEAR		
Opening balance	12,481,985	8,398,536
Transferred to/(from) retained earnings	(580,829)	4,083,449
Net movement during year	<u>(580,829)</u>	<u>4,083,449</u>
 Closing balance	<u>11,901,156</u>	<u>12,481,985</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 2011, additional reserves were created to facilitate the ongoing operations of two programs: the CBM-Nossal Partnership and the Australian Disability and Development Consortium (ADDC). These programs are supported and administered through CBM Australia with the intention of ultimately being self funded community programs. Iraq unspent funds of \$3,486 from 2010 are now included in the Other Emergencies total.

NOTE 14: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

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

	2011	2010
	\$	\$
Payable -minimum lease payments		
- not later than 12 months	46,956	43,010
- between 12 months and 5 years	187,824	172,040
- greater than 5 years	0	0
	<u>234,780</u>	<u>215,050</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 2011.

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:

	Note	2011	2010
		\$	\$
Financial assets			
Cash and cash equivalents	5	8,424,661	6,632,254
Loans and receivables	6	461,420	432,819
Financial assets at fair value through profit or loss	8	0	0
Available-for-sale financial assets	8	8,330,263	6,904,897
Held-to-maturity investments	8	2,462,000	812,000
Other Current Financial Assets	9	64,701	21,588
Total financial assets		<u>19,743,045</u>	<u>14,803,558</u>
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	11	5,809,000	816,555
Total financial liabilities		<u>5,809,000</u>	<u>816,555</u>

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.

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 2011, over 145 people volunteered their time to help in CBM's international development and domestic programs as well as administration support. In 2011, volunteer hours exceeded 1130 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 \$158,221. This contribution has not been recognised in the Statement of Comprehensive Income.

NOTE 17: TRUST FUNDS

CBM Australia holds two sums of money in Trust from which income is derived and distributed to CBM. The balance of these funds at 31 December 2011 and the distributions in 2011 are as follows:

	2011	2010
	\$	\$
P & A Favaloro Charitable Trust – Held on deposit with ANZ through ESANDA Term Deposits	40,000	40,000
Distribution (28/03/2011) paid interest of 5.90% p.a.	2,373	1,460
Doug Sandell Trust –Held on deposit with ANZ through ESANDA Term Deposits	112,000	112,000
Distribution (24/03/2011) paid interest of 5.90% p.a.	6,608	4,088
Warren Trust – Held on deposit with ANZ through ESANDA Term Deposits	0	0
No Distribution in 2011 – Funds in the Warren Trust returned to donor in 2010.	0	360

NOTE 18: SUBSEQUENT EVENTS

There were no significant events after 31 December 2011.

NOTE 19: CHANGES IN ACCOUNTING POLICY

During the current year, CBM Australia reviewed the basis of allocating some costs to different cost categories. As a result, some costs have moved from administration to other categories including program areas and fundraising to more accurately reflect the cost of delivering programs. Expenditure for 2010 has been adjusted and presented again below to provide comparative totals for expenditure.

There were no other changes in Accounting Policy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Note 19: Comparative Expenditure incorporating costing review in 2011 and 2010

EXPENDITURE	2011	2010
International Aid and Development Programs Expenditure		
International programs		
- Funds to international programs	14,655,510	12,841,684
- Program Support Costs	2,021,441	1,441,599
Community education	2,554,341	2,320,311
Fundraising costs		
- Public	4,940,650	3,804,920
- Government, multilateral and private	105,105	112,725
Accountability and Administration	3,435,441	2,659,475
Non-monetary expenditure	0	0
Total International Aid and Development Programs Expenditure	27,712,488	23,180,714
Expenditure for International Political or Religious Proselytisation Programs	0	0
Domestic programs expenditure (monetary & non-monetary)	705,203	642,597
TOTAL EXPENDITURE	28,417,691	23,823,311

NOTE 20: 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 2011.

	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	1,025,497	0	609,808	415,689
Total for other purposes	5,606,757	33,209,240	30,807,025	8,008,972
TOTAL	6,632,254	33,209,240	31,416,833	8,424,661

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.

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 21: 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

			(With Admin Comparative)
	2011	2010	2010
	\$	\$	\$
Comparisons by monetary figures and percentages			
Gross income from fundraising appeals	19,814,354	21,621,599	21,621,599
Direct costs of fundraising appeals	4,940,650	3,326,427	3,804,920
Direct costs of fundraising as a percentage of gross income from fundraising appeals	24.9%	15.4%	17.6%
Net surplus from fundraising appeals	14,873,704	18,295,172	17,816,679
Net surplus from fundraising as a percentage of gross income from fundraising appeals	75.1%	84.6%	82.4%
Total cost of direct services (overseas projects, domestic projects plus community education)	19,936,495	16,672,565	17,246,191
Total expenditure (excluding direct costs of fundraising appeals)	23,477,041	20,496,884	20,018,391
Total cost of direct services as a percentage of total expenditure	84.9%	81.3%	86.2%
Transfers to/(from) reserves	(454,140)	4,467,900	4,467,900
Total income received (including net surplus from fundraising)	23,022,901	24,964,784	24,486,291
Total cost of direct services as a percentage of total income received	86.6%	66.8%	70.4%

CBM AUSTRALIA
A.B.N. 23 005 326 849
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 22: CONTINGENT LIABILITIES

Estimates of the potential financial effect of contingent liabilities that may become payable

	2011	2010
	\$	\$
Overdraft Facility		
The company has an overdraft facility with Westpac Banking Corporation. Management have determined that CBM Australia is not likely to default on the facility	1,500,000	0
The company has an overdraft facility with Commonwealth Bank of Australia. Management have determined that CBM Australia is not likely to default on the facility	200,000	200,000
	1,700,000	\$200,000

NOTE 23: 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 24: 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 2011 the number of members was 23.

NOTE 25: 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.

DIRECTORS' DECLARATION

The directors of CBM Australia declare that:


1. The financial statements and notes, as set out on pages 8 to 27, 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 2011 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


M W (Bill) Austin

Director


Chris Groom

Dated this 20th day of March 2012

CBM Australia**Independent Audit Report to the members of CBM Australia****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 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have 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 13 March 2012, would be in the same terms if provided to the directors as at the date of this auditor's report.

CBM Australia**Independent Audit Report to the members of CBM Australia***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 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*; and

Saward Dawson Chartered Accountants

Peter Shields

20 Albert Street

Blackburn VIC 3130

Dated: 20 March 2012