



**CBM Australia**  
**ABN: 23 005 326 849**

Financial Statements  
For the Year Ended 31 December 2013

# CBM Australia

ABN: 23 005 326 849

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For the Year Ended 31 December 2013

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# CBM Australia

ABN: 23 005 326 849

## Directors' Report

For the Year Ended 31 December 2013

The directors present their report on CBM Australia for the financial year ended 31 December 2013.

### 1. General information

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

Melvin William (Bill) Austin [Board Chair]  
Shawn Choong  
Anita Cossenas  
Helen Green  
Chris Groom  
Philip Ratcliff (resigned 13 May 2013)  
Dale Sheppard  
Benjamin Smith

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 an inclusive world in which all persons with disabilities enjoy their human rights and achieve their full potential. CBM strives to alleviate poverty through disability inclusive development, working to improve the quality of life of persons with disabilities, and those at risk of impairment, in developing countries. CBM promotes the rights and needs of people with disabilities overseas and in Australia.

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

### Strategy for achieving CBM Australia's objectives

CBM Australia seeks to raise funds for, and monitor the implementation of, programs which improve and extend services to people with a disability in many developing countries and in Australia. These programs include medical, education, rehabilitation, community outreach activities and advisory support across more than 20 countries. In Australia, CBM continues to contribute the Christian content to the national talking book service operated by Vision Australia.

CBM Australia is also playing a significant leadership role in inclusive development within the aid sector and beyond, promoting and advocating around addressing the double disadvantage of poverty and disability. This includes providing the secretariat for the Australian Disability and Development Consortium, partnership with the Nossal Institute (University of Melbourne) for training and research and the Luke 14 program to support Australian churches in being disability inclusive.

In 2013, CBM Australia also responded to the emergency situations in Syria, Democratic Republic of Congo and the Philippines.

# CBM Australia

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## Directors' Report

For the Year Ended 31 December 2013

### 1. General information continued

#### Operating Results and Key Performance Measures

Total income for the year was \$30.6 million, increasing by \$0.2 million compared with 2012 (\$30.4 million). Grants received from the government were \$7.8 million which represented a decrease of \$2.3 million compared with 2012 (\$10.1 million). Donations and gifts increased to \$18.9 million which was up \$3.0 million compared to 2012 (\$15.9 million).

Whilst the reduction in government grants was expected, the income from donations significantly exceeded expectations and was largely a result of a very strong last quarter response from CBM supporters.

Combined with a reduction in CBM's administrative and fundraising costs, this has resulted in a higher than expected operating surplus of \$3.2 million (2012 was a deficit of \$0.1 million), which will be applied to additional programs in 2014 and 2015.

The Board monitor performance through a variety of measures including the ratios detailed in note 19.

#### Members guarantee

CBM Australia is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20 for all members, subject to the provisions of the company's constitution.

At 31 December 2013 the collective liability of members was \$ 520 (2012: \$ 520).

#### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

<b>Melvin William (Bill) Austin</b>	Board Chair
Qualifications	BSc (Hons) Civil Engineering, Leeds University, 1973 MSc, DIC, Engineering Rock Mechanics, Imperial College, London University 1981 Fellow of the Institute of Engineers, Australia (resigned 2013) Fellow of the Australian Institute of Company Directors
Experience	CBM Australia Board Director since May 2008 Director of Halcrow Pacific Pty Limited 1993 - 2011
Special responsibilities	Chair, CBM Australia Board (since May 2011) Member of the CBM Australia Board Development & Human Resources Committee, Finance & Audit Committee, and Risk Committee Director of the CBM International Board

## Directors' Report

For the Year Ended 31 December 2013

1. General information continued

**Information on directors continued**

**Shawn Choong**

Qualifications	Bachelor of Medicine and Bachelor of Surgery (MB BCH BAO), University College Galway, Ireland, 1989 Fellow of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists Diploma of Diagnostic Ultrasound Certificate of Obstetrical and Gynaecological Ultrasound
Experience	CBM Australia Board Director since 21 May 2012
Special responsibilities	Member of the CBM Australia Board Development & Human Resources Committee, Programs Committee, and Innovations & Community Engagement Committee

**Anita Cossenas**

Qualifications	Bachelor of Commerce (Human Resources and Management), Deakin University, Melbourne, 1995
Experience	CBM Australia Board Director since 21 May 2012
Special responsibilities	Chair of the CBM Australia Board Development & Human Resources Committee and member of the Risk Committee

**Helen Green**

Qualifications	Registered General and Obstetric Nurse (RGON) Diploma in Management Studies Bachelor of Social Science 1st class honours (Health Development and Policy) Graduate of the Institute of Strategic Leadership
Experience	CBM Australia Board Director since May 2010 Chair CBM New Zealand Board
Special responsibilities	Member of the CBM Australia Finance & Audit Committee and Programs Committee Director of the CBM International Board Chair of CBM International Forum of Board Chairs

**Christopher Groom**

Qualifications	Board Deputy Chair 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	Chair of the CBM Australia Finance & Audit Committee and member of the Innovations & Community Engagement Committee CBM International Assembly Delegate 2013, and member of the CBM International Finance Committee

# CBM Australia

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## Directors' Report

For the Year Ended 31 December 2013

### 1. General information continued

#### Information on directors continued

##### **Philip Ratcliff**

Resigned 13 May 2013

##### Qualifications

Bachelor of Commerce, Melbourne University, 1997  
Graduate of the Australian Institute of Company Directors

##### Experience

CBM Australia Board Director since May 2011

##### Special responsibilities

Chair of the CBM Australia Risk Committee and member of the Finance & Audit Committee

##### **Dale Sheppard**

##### Qualifications

Bachelor of Applied Science, Disability Studies (Human Movement and Psychology), Deakin University, Melbourne, 2000,  
Graduate of the Australian Institute of Company Directors

##### Experience

CBM Australia Board Director since 21 May 2012

##### Special responsibilities

Chair of the CBM Innovations & Community Engagement Committee and member of the Programs Committee

##### **Benjamin Smith**

##### Qualifications

Bachelor of Social Work (Hons), University of NSW, 1991  
Master of Public Health, University of Sydney, 1995  
Doctor of Philosophy, University of Sydney, 2002  
Member of the Australian Institute of Company Directors

##### Experience

CBM Australia Board Director since May 2011

##### Special responsibilities

Chair of CBM Australia Programs Committee and member of the Finance & Audit Committee

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

# CBM Australia

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## Directors' Report

For the Year Ended 31 December 2013

### Meetings of directors

During the 2013 calendar year, 4 Board Meetings were held. The Risk Committee was disbanded during 2013 and its responsibilities taken up by the Finance & Audit Committee. Attendances, which include technology assisted attendances, were:

	Board		Finance & Audit Committee		Board Development & Human Resources Committee		Programs Committee		Innovations and Community Engagement Committee		Risk 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	4	5	5	3	3	2	1	2	2	1	1
Shawn Choong	4	4	-	-	3	3	2	1	2	1	-	-
Anita Cossenas	4	4	-	-	3	3	-	-	-	-	1	1
Helen Green	4	4	5	4	-	-	2	2	-	-	-	-
Chris Groom	4	4	5	5	-	-	-	-	2	2	-	-
Philip Ratcliff	1	1	2	1	-	-	-	-	-	-	1	1
Dale Sheppard	4	3	-	-	-	-	-	-	2	2	-	-
Ben Smith	4	4	5	5	-	-	2	2	-	-	-	-

# CBM Australia

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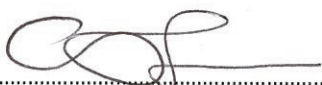
## Directors' Report

For the Year Ended 31 December 2013

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2013 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: 

Name: CHRIS GROOM

Director: 

Name: M.W. AUSTIN

Dated 24/3/2014



## CBM Australia

ABN: 23 005 326 849

### Auditors 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 2013, 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*

**Saward Dawson Chartered Accountants**

*Peter Shields*

Peter Shields

20 Albert Street

Blackburn, VIC 3130

Date: 24 March 2014

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

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
<b>REVENUE</b>			
<b>Donations &amp; gifts</b>			
- Monetary		18,898,294	15,927,226
- Non-monetary		-	-
Bequests & Legacies		2,175,752	2,747,670
<b>Grants received</b>			
- Department of Foreign Affairs and Trade (previously AusAID)		7,775,175	10,060,957
- Other Australian		-	-
- Other Overseas		-	-
Investment income		781,272	1,006,986
Other income		988,423	667,793
Revenue for International Political or Religious Adherence Promotion Programs		-	-
<b>TOTAL REVENUE</b>	2	<b>30,618,916</b>	<b>30,410,632</b>
<b>EXPENDITURE</b>			
<b>International Aid and Development Programs Expenditure</b>			
<b>International programs</b>			
- Funds to international programs		(13,442,604)	(16,781,696)
- Program Support Costs		(3,286,109)	(3,017,559)
Community education		(2,404,038)	(2,200,831)
<b>Fundraising costs</b>			
- Public		(5,033,768)	(5,155,695)
- Government, multilateral and private		(240,331)	(144,579)
Accountability and Administration		(2,383,182)	(2,450,521)
Non-monetary expenditure		-	-
<b>Total International Aid and Development Programs Expenditure</b>		<b>(26,790,032)</b>	<b>(29,750,881)</b>
International Political or Religious Proselytisation Programs Expenditure		-	-
Domestic programs expenditure		(616,429)	(731,292)
<b>TOTAL EXPENDITURE</b>		<b>(27,406,461)</b>	<b>(30,482,173)</b>
<b>EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE</b>		<b>3,212,455</b>	<b>(71,541)</b>
<b>Other comprehensive income:</b>			
Net movement in the financial assets reserve		993,371	617,221
<b>Other comprehensive income for the year</b>		<b>993,371</b>	<b>617,221</b>
<b>Total comprehensive income for the year</b>		<b>4,205,826</b>	<b>545,680</b>

# CBM Australia

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## Statement of Financial Position

As at 31 December 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	3,448,987	7,984,573
Trade and other receivables	6	402,526	339,894
Financial assets	7	17,201,387	12,167,587
Other financial assets	8	319,874	166,751
TOTAL CURRENT ASSETS		<u>21,372,774</u>	<u>20,658,805</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	5,055,887	5,284,519
TOTAL NON-CURRENT ASSETS		<u>5,055,887</u>	<u>5,284,519</u>
TOTAL ASSETS		<u><u>26,428,661</u></u>	<u><u>25,943,324</u></u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	2,117,277	5,895,808
Employee benefits	11	1,243,322	1,120,714
TOTAL CURRENT LIABILITIES		<u>3,360,599</u>	<u>7,016,522</u>
NON-CURRENT LIABILITIES			
Employee benefits	11	135,408	199,974
TOTAL NON-CURRENT LIABILITIES		<u>135,408</u>	<u>199,974</u>
TOTAL LIABILITIES		<u>3,496,007</u>	<u>7,216,496</u>
NET ASSETS		<u><u>22,932,654</u></u>	<u><u>18,726,828</u></u>
<b>EQUITY</b>			
Committed funds reserve		14,608,047	12,386,156
Bequest reserve		2,561,355	2,127,262
General reserve		3,855,663	3,299,192
Financial Assets Reserve		1,755,589	762,218
Perpetual trusts		152,000	152,000
TOTAL EQUITY		<u><u>22,932,654</u></u>	<u><u>18,726,828</u></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 2013

### 2013

	Retained Earnings	Committed Funds Reserve	Bequest Reserves	General Reserve	Financial Assets Reserve	Perpetual Trusts	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2013</b>	-	12,386,156	2,127,262	3,299,192	762,218	152,000	18,726,828
Excess/(Shortfall) of revenue over expenses	3,212,455	-	-	-	-	-	3,212,455
Revaluation increment/(decrement)	-	-	-	-	993,371	-	993,371
Transfer from general reserve to committed funds reserve	-	2,221,891	-	(2,221,891)	-	-	-
Transfer from general reserve to bequest reserve	-	-	434,093	(434,093)	-	-	-
Transfer from retained earnings to general reserve	(3,212,455)	-	-	3,212,455	-	-	-
<b>Balance at 31 December 2013</b>	-	14,608,047	2,561,355	3,855,663	1,755,589	152,000	22,932,654

The accompanying notes form part of these financial statements.

# CBM Australia

ABN: 23 005 326 849

## Statement of Changes in Equity

For the Year Ended 31 December 2013

### 2012

	Retained Earnings	Committed Funds Reserve	Bequest Reserves	General Reserve	Financial Assets Reserve	Perpetual Trusts	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2012</b>	-	11,901,156	2,127,262	3,855,733	144,997	152,000	18,181,148
Excess/(Shortfall) of revenue over expenses	(71,541)	-	-	-	-	-	(71,541)
Revaluation increment/(decrement)	-	-	-	-	617,221	-	617,221
Transfer from committed funds reserve to retained earnings	15,000	(15,000)	-	-	-	-	-
Transfer from general reserve to committed funds reserve	-	500,000	-	(500,000)	-	-	-
Transfer from general reserve to retained earnings	56,541	-	-	(56,541)	-	-	-
<b>Balance at 31 December 2012</b>	-	12,386,156	2,127,262	3,299,192	762,218	152,000	18,726,828

The accompanying notes form part of these financial statements.

# CBM Australia

ABN: 23 005 326 849

## Statement of Cash Flows

For the Year Ended 31 December 2013

	Note	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Receipts</b>			
Donations		18,898,294	15,927,226
Receipts from appropriations/grants		5,014,739	11,287,608
Bequests		2,175,752	2,747,670
Interest & Investment Income received		781,272	1,068,680
Other		1,136,581	1,131,662
<b>Payments</b>			
Suppliers, Wages and salaries		(7,839,817)	(8,924,620)
Payments to Overseas projects		(17,549,774)	(19,697,203)
Payments to Domestic projects & Community Education		(3,123,575)	(2,932,123)
Net cash provided by (used in) operating activities	12	(506,528)	608,900
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for property, plant and equipment		(75,952)	(195,682)
Proceeds from sale of property, plant and equipment		6,850	26,870
Proceeds on sale of investment securities		2,789,272	510,772
Payment for investments		(7,429,496)	(3,285,896)
Redemption of Term Deposit		814,390	2,000,000
Other		(153,122)	(105,052)
Net cash provided by (used in) investing activities		(4,048,058)	(1,048,988)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from borrowings		19,000	-
Net cash provided by (used in) financing activities		19,000	-
Net increase (decrease) in cash and cash equivalents held		(4,535,586)	(440,088)
Cash and cash equivalents at beginning of year		7,984,573	8,424,661
Cash and cash equivalents at end of financial year	5	3,448,987	7,984,573

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

CBM Australia has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Guidance available at [www.acfid.asn.au](http://www.acfid.asn.au)

#### (b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

#### (c) Income Tax

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

#### (d) Leases

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

CBM Australia does not have any material finance leases.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (e) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

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.

**Notes to the Financial Statements****For the Year Ended 31 December 2013****1 Summary of Significant Accounting Policies continued****(e) Revenue and other income continued**

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.

All revenue is stated net of the amount of goods and services tax (GST).

**(f) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(g) Property, Plant and Equipment**

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

**Land and buildings**

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

**Plant and equipment**

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



**Notes to the Financial Statements****For the Year Ended 31 December 2013****1 Summary of Significant Accounting Policies continued****(g) Property, Plant and Equipment continued****Depreciation**

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

The depreciable amount of all property, plant and equipment, except for freehold land and motor vehicles is depreciated on a straight-line method from the date that management determine that the asset is available for use. Motor vehicles are depreciated on a diminishing value method.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	3.33%
Plant and Equipment	12.5 - 33.33%
Furniture, Fixtures and Fittings	12.5 - 33.33%
Motor Vehicles	18%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

**(h) Financial instruments****Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value. *Fair value* represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

**Notes to the Financial Statements****For the Year Ended 31 December 2013****1 Summary of Significant Accounting Policies continued****(h) Financial instruments continued****(i) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

**(ii) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

**(iii) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Impairment of financial assets**

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

**Available-for-sale financial assets**

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

**(i) Impairment of assets**

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

**(j) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**Notes to the Financial Statements****For the Year Ended 31 December 2013****1 Summary of Significant Accounting Policies continued****(k) Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

**(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 Australia. This reserve reflects the capital available in the perpetual trusts.

**(m) Financial Assets Reserve**

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

**(n) Committed Funds Reserve**

The Board of CBM Australia 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.

**(o) Bequest Reserve**

The Bequest Reserve was created to represent the average value of bequests for the last four years.

**(p) General Reserve**

The General Reserve represents funds maintained in the organisation for income generation activities in support of operations.

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 1 Summary of Significant Accounting Policies continued

#### (q) Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - impairment

CBM Australia assesses impairment at the end of each reporting date by evaluating conditions specific to CBM Australia 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. No impairment has been recognised for the year ended 31 December 2013.

#### Key judgments - doubtful debts provision

A review was conducted of accounts receivable at 31 December 2013 which determined that all debts were recoverable in full. Consequently, no provision for debtor impairment has been made at 31 December 2013.

#### Key judgments - income in advance/unexpended grants

Grants received in advance represent funds received from the Department of Foreign Affairs and Trade (DFAT) (previously AusAID) in 2013 for expenditure in 2014 programs. This includes funding for one contract with DFAT. Under the terms of the contract in place with DFAT, such funds are to be returned if they are not spent. The directors believe that this represents a present obligation and has been recorded as such as at 31 December 2013.

# CBM Australia

ABN: 23 005 326 849

## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 2 Revenue

	2013	2012
	\$	\$
<b>Operating activities</b>		
Donations	18,898,294	15,927,226
Bequests	2,175,752	2,747,670
Interest revenue from other entities	160,443	142,919
Investment income	620,829	864,067
Government grants received	7,775,175	10,060,957
Other revenue	988,423	667,793
	<b>30,618,916</b>	<b>30,410,632</b>

### 3 Expenses from ordinary activities

	2013	2012
	\$	\$
Rental expense on operating leases	46,956	54,782
Loss on foreign exchange	2,140	5,538
Loss on sale of property, plant & equipment	407	873
Loss on sale of financial asset	-	69,296
Depreciation	298,111	354,235
Employee benefits	7,213,415	7,310,524

### 4 Key Management Personnel Disclosures

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

	2013	2012
	\$	\$
Key management personnel compensation	1,342,330	1,288,637
	<b>1,342,330</b>	<b>1,288,637</b>

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 personnel, or a firm of which the management personnel is a member, or an entity in which the management personnel has a substantial financial interest, has made with CBM Australia during the year ended 31 December 2013 or at any other time.

**Notes to the Financial Statements**

For the Year Ended 31 December 2013

**5 Cash and cash equivalents**

	2013	2012
	\$	\$
Cash at bank	169,030	3,301,059
Short-term term deposits	-	2,907,200
Cash management accounts	(a) 3,279,957	1,776,314
	<u>3,448,987</u>	<u>7,984,573</u>

(a) Cash management accounts consist of at-call deposits in cash investment accounts held in UCA and JBWere portfolios.

**6 Trade and other receivables**

	2013	2012
	\$	\$
<b>CURRENT</b>		
Trade receivables	(a) 98,012	23,187
GST & Imputation Credits receivable	73,363	134,593
Other receivables	231,151	182,114
<b>Total current trade and other receivables</b>	<u>402,526</u>	<u>339,894</u>

**(a) Impairment of receivables**

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

**7 Financial assets**

	2013	2012
	\$	\$
<b>CURRENT</b>		
Available-for-sale financial assets		
- Units held in Listed Funds	-	2,869
- Units held in Unlisted Funds	15,349,387	11,702,718
Held-to-maturity financial assets	1,852,000	462,000
<b>Total current financial assets</b>	<u>17,201,387</u>	<u>12,167,587</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.

# CBM Australia

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## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 8 Other current assets

	2013	2012
	\$	\$
Prepaid project advances	319,874	166,751
	<u>319,874</u>	<u>166,751</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 controlled by CBMeV. As at 31 December 2013, the account had a positive funds balance.

### 9 Property, plant and equipment

	2013	2012
	\$	\$
<b>LAND AND BUILDINGS</b>		
At cost	6,613,237	6,577,537
Less accumulated depreciation	<u>(1,691,354)</u>	<u>(1,485,673)</u>
	<u>4,921,883</u>	<u>5,091,864</u>
<b>PLANT, EQUIPMENT AND MOTOR VEHICLES</b>		
At cost	1,086,454	1,067,393
Less accumulated depreciation	<u>(952,450)</u>	<u>(874,738)</u>
	<u>134,004</u>	<u>192,655</u>
Total property, plant and equipment	<u>5,055,887</u>	<u>5,284,519</u>

**Notes to the Financial Statements**

For the Year Ended 31 December 2013

**9 Property, plant and equipment continued****(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	<b>Land and Buildings</b>	<b>Plant and Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year ended 31 December 2013</b>			
Balance at the beginning of year	5,091,864	192,655	5,284,519
Additions	35,700	40,252	75,952
Disposals	-	(6,473)	(6,473)
Depreciation expense	(205,681)	(92,430)	(298,111)
<b>Balance at the end of the year</b>	<b>4,921,883</b>	<b>134,004</b>	<b>5,055,887</b>

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's property and Westpac term deposits are held as security by Westpac bank for CBM Australia's overdraft facility with the bank. There were no liabilities to Westpac bank as at 31 December 2013.

CBM Australia's property was independently valued in November 2013 at \$8 million. No revaluations have been made as land and buildings are held at cost.

**10 Trade and other payables**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade payables	413,625	673,202
Unsecured liabilities	210,000	191,000
Grants received in advance	1,493,652	5,031,606
	<b>2,117,277</b>	<b>5,895,808</b>

Grants received in advance represent funds received from the Department of Foreign Affairs and Trade (DFAT) (previously AusAID) in 2013 for expenditure in 2014 programs. This includes funding for one contract with DFAT. Under the terms of the contract in place with DFAT, such funds are to be returned if they are not spent. The directors believe that this represents a present obligation and has been recorded as such as at 31 December 2013.

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



**Notes to the Financial Statements**

For the Year Ended 31 December 2013

**11 Provisions****(a) Employee entitlements**

	2013	2012
	\$	\$
CURRENT		
Provision for employee benefits: Long service leave	782,429	690,693
Provision for employee benefits: Annual leave	460,893	430,021
	<u>1,243,322</u>	<u>1,120,714</u>
NON-CURRENT		
Provision for employee benefits: Long service leave	135,408	199,974
Total provision for employee benefits	<u>1,378,730</u>	<u>1,320,688</u>

**Analysis of total provisions**

Opening balance at 1 January 2013	1,320,688	1,223,709
Additional provisions raised during year	655,459	636,554
Amounts used	<u>(597,417)</u>	<u>(539,575)</u>
<b>Balance at 31 December 2013</b>	<u>1,378,730</u>	<u>1,320,688</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.

**Notes to the Financial Statements**

For the Year Ended 31 December 2013

**12 Cash Flow Information****Reconciliation of result for the year to cash flows from operating activities**

Reconciliation of net income to net cash provided by operating activities:

	2013	2012
	\$	\$
Surplus/(Deficit) for the year	3,212,455	(71,541)
Non-cash flows in result:		
- depreciation	298,111	354,235
- net (gain)/loss on disposal of property, plant and equipment	(376)	873
- net (gain)/loss on disposal of investments	(214,596)	30,419
- Increase of provision for dimunition of investments	-	32,393
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(62,631)	75,734
- increase/(decrease) in trade and other payables	(259,579)	(110,697)
- increase/(decrease) in provisions	58,042	96,979
- increase/(decrease) in other liabilities	(3,537,954)	200,505
Cashflow generated by (used in) operating activities	<u>(506,528)</u>	<u>608,900</u>

**13 Capital and Leasing Commitments****Operating Leases**

Minimum lease payments under non-cancellable operating leases:

- not later than one year	46,965	46,965
- between one year and five years	93,903	140,868
	<u>140,868</u>	<u>187,833</u>

Operating leases consist primarily of office printing equipment.

**Notes to the Financial Statements****For the Year Ended 31 December 2013****14 Financial Risk Management****Objectives, policies and processes**

CBM Australia'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 Australia does not have any derivative instruments at 31 December 2013.

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 Chief Operating Officer and the Director of Finance and Administration 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 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:

		2013	2012
		\$	\$
Financial Assets			
Cash and cash equivalents	5	3,448,987	7,984,573
Loans and receivables	6	329,163	512,945
Available-for-sale financial assets	7	15,349,387	11,702,718
Held-to-maturity financial assets	7	1,852,000	462,000
Other Current Financial Assets	8	319,874	166,751
<b>Total financial assets</b>		<b>21,299,411</b>	<b>20,828,987</b>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	10	2,117,277	5,895,808
<b>Total financial liabilities</b>		<b>2,117,277</b>	<b>5,895,808</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.

**Notes to the Financial Statements****For the Year Ended 31 December 2013****15 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 2013, a number of people volunteered their time to help in CBM Australia's international development and domestic programs as well as administration support. This contribution has not been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

**16 Trust Funds**

CBM Australia holds two sums of money in Trust from which income is derived and distributed to CBM Australia. The balance of these funds at 31 December 2013 and the distributions in 2013 are as follows:

	2013 \$	2012 \$
P & A Favalaro Charitable Trust	40,000	40,000
Interest earned	1,764	2,500
Doug Sandell Trust	112,000	112,000
Interest earned	4,941	7,000

These funds Trusts are consolidated into 12 month term deposits. Interest rate of 4.2% p.a.

**17 Events Occurring After the Reporting Date**

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

**18 Table of Cash Movements for Designated Purposes**

CBM Australia'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 2013.

	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	264,528	-	(264,528)	-
Total for other purposes	7,720,045	35,148,254	(39,419,312)	3,448,987
<b>TOTAL</b>	<b>7,984,573</b>	<b>35,148,254</b>	<b>(39,683,840)</b>	<b>3,448,987</b>

# CBM Australia

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## Notes to the Financial Statements

For the Year Ended 31 December 2013

### 19 Financial Ratios

The board regularly reviews key performance measures including those listed below:

	2013	2012
	%	%
<b>Key Performance Measures</b>		
Direct costs of fundraising as a percentage of gross income from fundraising appeals	23.89	27.61
Net surplus from fundraising as a percentage of gross income from fundraising appeals	76.11	72.39
Total cost of direct services as a percentage of total expenditure	87.60	89.75
Total cost of direct services as a percentage of total income received	76.67	90.01

### 20 Contingent liabilities

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

	2013	2012
	\$	\$
<b>Overdraft Facility</b>		
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	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>

### 21 Related Parties

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.

CBMeV is trustee for CBM Australia's Deutsche Bank account. The transfers out of this account are made by CBMeV on the direction of CBM Australia to projects.

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

**Notes to the Financial Statements**

For the Year Ended 31 December 2013

**22 Committed Funds**

	2013	2012
	\$	\$
Committed Funds - General	14,608,047	11,564,429
Committed Funds - Women's Health	-	264,528
Committed Funds - Other Emergencies	-	557,199
	<b>14,608,047</b>	<b>12,386,156</b>
<b>Movements during the year</b>		
Opening balance	12,386,156	11,901,156
Transferred from retained earnings	2,221,891	485,000
<b>Net movement during the year</b>	<b>2,221,891</b>	<b>485,000</b>
<b>Closing balance</b>	<b>14,608,047</b>	<b>12,386,156</b>

The Board of CBM Australia 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.

**23 Members' Guarantee**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the company.

At 31 December 2013 the number of members was 26 (2012: 26).

**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 places of business is the same as the registered office.

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

# CBM Australia

ABN: 23 005 326 849

## Directors' Declaration

In accordance with a resolution of the directors of CBM Australia, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 28, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 31 December 2013 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director: .....



Name: .....

CHRIS GROOM

Director: .....



Name: .....

M.W. AUSTIN

Dated

24 / 3 / 2014

## CBM Australia

ABN: 23 005 326 849

### 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 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 company's preparation of the financial report that gives a true and fair view 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 company'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*, which has been given to the directors of CBM Australia, would be in the same terms if given to the directors as at the time of this auditor's report.



## CBM Australia

ABN: 23 005 326 849

### Independent Audit Report to the members of CBM Australia

#### *Auditor's Opinion*

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

*Saward Dawson*

#### **Saward Dawson Chartered Accountants**

*Peter Shields*

Peter Shields

20 Albert Street

Blackburn VIC 3130

Date: 24 March 2014