



CBM Australia

ABN: 23 005 326 849

Financial Statements

For the Year Ended 31 December 2015

CBM Australia

ABN: 23 005 326 849

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For the Year Ended 31 December 2015

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Corporate Information

For the year ended 31 December 2015

Directors

The Directors in office at 31 December 2015 were:

Melvin William (Bill) Austin (Board Chair)

Timothy Budge

Shawn Choong

Helen Green

Chris Groom

Dale Sheppard

Benjamin Smith

Karen Streckfuss

Company Secretary: Trudy Skilbeck BSc/LLB

Registered Office: 56 Rutland Road, Box Hill, Victoria 3128

Auditors

Saward Dawson Chartered Accountants

20 Albert Street

Blackburn

Victoria 3130

Investment Advisors

JBWere Limited AFSL 341162

Bankers

Westpac Banking Corporation

Westpac Commercial Banking

Level 1, 365 Ferntree Gully Road

Mount Waverley

Victoria 3149

UCA Funds Management

Level 5, 130 Little Collins Street

Melbourne

Victoria 3000

Members

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.

As at 31 December 2015 there were 24 members and their collective liability was \$480 (2014: \$460).

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Directors' Report For the Year Ended 31 December 2015

The directors present their report on CBM Australia for the financial year ended 31 December 2015.

Directors

Information about the directors can be found in the Appendix on page 36.

Objectives

CBM Australia's vision is an inclusive world in which all people with disability enjoy their human rights and achieve their full potential. The focus of CBM Australia is to reduce poverty. We particularly focus on the poverty experienced by people with disability and those at greatest risk of disability. We know that poverty and disability are strongly linked and we believe that including people with disability contributes to reducing poverty for individuals, families and their communities.

CBM Australia works to strengthen understanding and realisation of the rights and inclusion of people with disability.

Principal Activities

CBM Australia works in two ways:

We work with field partners empowering people with disability by working with them and their families as well as their communities, organisations and governments.

We multiply the impact of our efforts by working with regional and global partners in development so that people with disability are recognised and included in their programs.

Disability-inclusive development is both a process and a goal. It focuses particularly on the inclusion and empowerment of people with disabilities. It actively seeks to ensure their equal rights and participation in development processes and emergency responses and works to address the barriers which hinders their access and participation.

Strategy for Achieving CBM Australia's Objectives

CBM Australia's strategy is founded upon two key objectives and two enabling objectives:

The Key Objectives are:

Increased and improved sustainable field programs

- Strengthen field program implementation
- Contribute to capacity and partnership
- Support program learning replication and evidence

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Directors' Report

For the Year Ended 31 December 2015

Resources of others harnessed towards evidence-based DID

- Support Government of Australia engagement and leadership on DID
- Contribute to developing and implementing the evidence base on DID
- Raise awareness on disability inclusive development
- Provide advice for implementation of DID

In order to achieve these key objectives, CBM Australia has two enabling objectives:

Sustained financial health

- Grow income from the Australian public
- Increase non-public funding sources that support our program objectives
- Effective stewardship of resources

Strengthened organisational capacity and performance

- Ensure we have the right people in the right place at the right time
- Strengthen organisational culture around engagement, learning and performance
- Ensure business management systems are coherent and effective
- Clear and consistent communication contributing to a strengthened brand
- Support and influence culture, approaches and systems within the wider CBM family

Operating Results

Total income for the year increased from \$33.4 million in 2014 to \$35 million, an increase of \$1.6 million or 5%. A significant reason for this increase is a record year for bequests - contributing \$5.3 million, an increase of \$835,000 or 19%. These figures represent generous legacies from CBM Australia supporters.

In the face of continuing cuts in the federal budget to Australian Aid, CBM Australia's Board has sustained a strategic decision to increase investment in fundraising as part of our commitment to ensuring financial health in the long term. This strategy will enable CBM Australia to grow its program work despite ongoing uncertainty surrounding Australian Aid funding to international non-government organisations (NGOs) like CBM Australia. Our 2015 increase in fundraising expenditure of \$2.4 million reflects the groundwork that has been put in place to grow our supporter base; in particular in the numbers of supporters that give regular amounts on a monthly or quarterly basis. While increases in donation income from this activity take time to flow, CBM Australia is delighted to have grown the number of regular supporters by 28% during the year.

CBM Australia's Technical Advisory income represents \$1.4 million of the "Other Income". This is an increase of \$250,000 or 22%. This growth comes from CBM Australia's strong reputation for its expertise in the field of Disability-inclusive Development. CBM Australia is providing advice in this area to the Australian aid sector including the Australian government, other international aid agencies and major government contractors.

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Directors' Report For the Year Ended 31 December 2015


CBM Australia is also seeing continued increasing level of funds committed to our program work. This year CBM Australia's program expenditure totalled \$24.4 million which represents an increase of \$3 million or 14% compared to 2014. CBM Australia is continuing this planned program growth strategy and expects further substantial growth in 2016.

Overall, CBM Australia generated an operating deficit of \$992,000. This was an intentional plan following successive years of substantial surplus. The careful use of these surpluses has enabled increased investment in both programming and fundraising; underpinning CBM Australia's future growth in income and, most significantly, in program influence and impact.

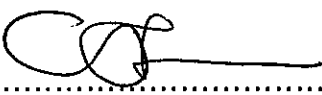
Auditor's independence declaration

The lead auditor's independence declaration, for the year ended 31 December 2015 has been received and can be found on page 5 of the financial report.

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

Director: 

Name: M.W. AUSTIN

Director: 

Name: Chris Groom

Dated 21 March 2016

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Auditor's Independence Declaration To the Directors of CBM Australia

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2015, there have been:

- no contraventions of the auditor independence requirements as set out in the *Code of Ethical for Professional Accountants* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Saward Dawson

Saward Dawson Chartered Accountants

Peter Miller

20 Albert Street

Blackburn, VIC 3130

Date: 21 March 2016

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2015

	2015	2014
	'000	'000
Note	\$	\$
REVENUE		
Donations & gifts		
Monetary	18,344	18,580
Bequests & Legacies	5,275	4,440
Grants Received		
- Department of Foreign Affairs and Trade	7,156	7,767
- Other Australian	-	-
- Other Overseas	135	13
Other Income		
Investment income	1,350	1,297
Other income	2,753	1,349
TOTAL REVENUE	35,012	33,445
	2	
EXPENDITURE		
International Aid and Development Programs Expenditure		
International programs		
- Funds to international programs	(17,124)	(14,029)
- Program Support Costs	(3,956)	(3,723)
- Community Education	(3,015)	(2,734)
Fundraising costs		
- Public	(8,022)	(5,593)
- Government, multilateral and private	(146)	(153)
Accountability and Administration	(3,443)	(2,547)
Total International Aid and Development Programs Expenditure	(35,706)	(28,779)
- Domestic programs expenditure	(298)	(881)
TOTAL EXPENDITURE	(36,004)	(29,660)

The accompanying notes form part of these financial statements.

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2015

	2015	2014
	'000	'000
Note	\$	\$
EXCESS/(SHORTFALL) OF REVENUE OVER EXPENDITURE	<u>(992)</u>	<u>3,785</u>
Other comprehensive income:		
Net movement in the financial assets reserve	<u>(1,240)</u>	<u>127</u>
Other comprehensive income for the year	<u>(1,240)</u>	<u>127</u>
Total comprehensive income for the year	<u><u>(2,232)</u></u>	<u><u>3,912</u></u>

Note: CBM Australia has received no income or expenditure in the 2015 and 2014 financial year in the following categories: Non-Monetary and International Political or Religious Programs.

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Statement of Financial Position

As at 31 December 2015

		2015	2014
		'000	'000
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,829	4,334
Trade and other receivables	8	805	1,340
Financial assets	9	21,638	19,597
Other current assets	10	56	165
TOTAL CURRENT ASSETS		25,328	25,436
NON-CURRENT ASSETS			
Property, plant and equipment	12	5,164	4,898
TOTAL NON-CURRENT ASSETS		5,164	4,898
TOTAL ASSETS		30,492	30,334
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	664	1,295
Employee benefits	15	972	1,241
Other liabilities	14	4,063	816
TOTAL CURRENT LIABILITIES		5,699	3,352
NON-CURRENT LIABILITIES			
Employee benefits	15	181	138
TOTAL NON-CURRENT LIABILITIES		181	138
TOTAL LIABILITIES		5,880	3,490
NET ASSETS		24,612	26,844
EQUITY			
Committed funds reserve	1(l)	18,606	16,241
General reserve	1(l)	5,211	8,568
Financial Assets reserve	1(l)	643	1,883
Perpetual trusts	1(l)	152	152
TOTAL EQUITY		24,612	26,844

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2015

	Retained Earnings	Committed Funds reserve	Bequest reserve	General reserve	Financial Assets reserve	Perpetual trusts	Total
	'000	'000	'000	'000	'000	'000	'000
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2015	-	16,241	-	8,568	1,883	152	26,844
Excess/(Shortfall) of revenue over expenses	(992)	-	-	-	-	-	(992)
Revaluation increment/(decrement)	-	-	-	-	(1,240)	-	(1,240)
Transfer from							
- general reserve to committed funds reserve	-	2,365	-	(2,365)	-	-	-
- retained earnings to general reserve	992	-	-	(992)	-	-	-
Balance at 31 December 2015	-	18,606	-	5,211	643	152	24,612
Balance at 1 January 2014	-	14,608	2,561	3,856	1,756	152	22,933
Excess/(Shortfall) of revenue over expenses	3,785	-	-	-	-	-	3,785
Revaluation increment/(decrement)	-	-	-	-	127	-	127
Transfer from							
- general reserve to committed funds reserve	-	1,633	-	(1,633)	-	-	-
- general reserve to bequest reserve	-	-	(2,561)	2,561	-	-	-
- retained earnings to general reserve	(3,785)	-	-	3,785	-	-	-
Balance at 31 December 2014	-	16,241	-	8,568	1,883	152	26,844

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 December 2015

	2015	2014
	'000	'000
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts		
Donations	18,344	18,580
Grants received	11,119	7,866
Bequests	5,275	4,440
Interest & Investment Income received	1,350	1,297
Other	2,141	497
Payments		
Payments to programs, suppliers and employees	(37,094)	(29,448)
Net cash provided by (used in) operating activities	21 1,135	<u>3,232</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(560)	(133)
Proceeds from sale of property, plant and equipment	7	14
Proceeds on sale of investment securities	7,592	709
Payment for investments	(7,362)	(3,970)
Redemption (placement) of Term Deposit	(2,343)	873
Other	109	155
Net cash provided by (used in) investing activities	(2,557)	<u>(2,352)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings (borrowings repaid)	(83)	5
Net cash provided by (used in) financing activities	(83)	<u>5</u>
Net increase (decrease) in cash and cash equivalents held	(1,505)	885
Cash and cash equivalents at beginning of year	4,334	3,449
Cash and cash equivalents at end of financial year	7 2,829	<u><u>4,334</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with 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*) of the Australian Accounting Standards Board (AASB) and the Australian Not-for-profits Commission Act 2012. 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 thousand dollars.

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 Implementation Guide available at 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*.

CBM Australia is a Public Benevolent Institution registered with the Australian Charities and Not-for-profits Commission. CBM Australia operates CBM Australia Aboriginal Welfare Fund, CBM Australia Overseas Development Fund, and CBMI Audio Library Fund and has whole entity Deductible Gift Recipient status.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies continued

(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.

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).

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Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies continued

(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) 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.

(h) Impairment of assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for property, plant and equipment.

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

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Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies continued

(i) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost 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.

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 determines 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:

Fixed asset class	Depreciation rate
Buildings	3.3%
Plant and Equipment	12.5 - 33.3%
Furniture, Fixtures and Fittings	12.5 - 33.3%
Motor Vehicles	18.0%

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.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies continued

(j) 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, plus related on-costs.

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.

(k) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company 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.

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Notes to the Financial Statements For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies continued

(k) 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 using the effective interest rate method.

(iv) *Fair Value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies continued

(l) Reserves

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.

General Reserve

The General Reserve represents funds maintained in the organisation for income generation activities in support of CBM Australia's strategy.

Financial Assets Reserve

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

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) 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies continued

(m) Critical accounting estimates and judgments continued

The significant estimates and judgements made have been described below:

Key judgments - impairment of financial assets

CBM Australia assesses impairment at the end of each reporting date by evaluating whether there has been a decline in value of a financial asset that is significant or prolonged.

Where an investment has been carried at below cost for greater than 12 months is it seen to be impaired for a prolonged period. Where the carrying value is greater than 20% below cost, the impairment is deemed significant. This variance may then be recognised as a permanent impairment in the statement of profit or loss.

No permanent impairment has been recognised for the year ended 31 December 2015.

Key estimates - long service leave probability

At the end of each reporting period, the company will estimate the likelihood of an employee reaching 7 years of employment. This is based on the employment history of the company and is reflected in the employee benefit provisions on the statement of financial position as at 31 December 2015.

Key judgments - income in advance/unexpended grants

Grants received in advance represent funds received in 2015 for expenditure in 2016 programs. Under the terms of the contracts in place, such funds are to be returned if they are not spent. Revenue is recognised as conditions are met and services are performed and at year end a liability is recognised until the conditions are met or service is delivered.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

2 Revenue

	2015	2014
	'000	'000
	\$	\$
Operating activities		
Donations	18,344	18,580
Bequests	5,275	4,440
Interest revenue	184	370
Dividends and distributions received	1,166	927
Grants received	7,291	7,780
Other revenue		
Disability Inclusive Development Technical Advisory Income	1,376	1,147
Profit on realisation of investments	1,210	120
Other	167	82
	35,012	33,445

3 Volunteer services received

Resources received in the form of voluntary help 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 2015, a number of people volunteered their time to help in CBM Australia's international development and domestic programs as well as administration support. In 2015, volunteer hours contributed was approximately 850 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 \$145,541. This includes 115 days, at a value of \$19,697, in support of development programs. This contribution has not been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

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Notes to the Financial Statements For the Year Ended 31 December 2015

4 Expenses from ordinary activities

	2015	2014
	'000	'000
	\$	\$
Rental expense on operating leases - Plant and Equipment	47	47
Loss on foreign exchange	-	9
Audit fees	21	20
Depreciation	287	276
Employee benefits expense		
- Wages & Salaries	8,238	7,413
- Superannuation	887	782
- Workers Compensation Insurance	230	188
- Movement on provision for annual and long service leave	(226)	-

5 Key Management Personnel Disclosures

The key management personnel of CBM Australia are represented by its Senior Management Team of 7 full time staff. The Senior Management Team were all in place for the full year, unless otherwise indicated, and are as follows:

Jane Edge	- Chief Executive Officer (from 6 July 2015)
	- Chief Operating Officer (until 3 July 2015)
John Jeffries OAM	- Chief Executive Officer (resigned 3 July 2015)
Richard Dawe	- Director, Corporate Services
Edwina Faithfull-Farmer	- Director, International Programs
David Lewis OAM	- Director, Strategic Programs
Heath McSolvin	- Director, Fundraising
Janelle Richards	- Director, People & Culture
Kirsty Thompson	- Director, Inclusive Development

The totals of remuneration (comprising salaries, superannuation, workers compensation insurance and movements in leave provisions) paid to the key management personnel of CBM Australia during the year were as follows:

Key management personnel compensation	<u>1,569</u>	1,409
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Notes to the Financial Statements

For the Year Ended 31 December 2015

6 Related Parties

CBMeV

CBMeV is the international organisation that facilitate and coordinate payments to CBM Australia's international programs.

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

	2015	2014
	'000	'000
	\$	\$
Monies received from CBMeV:		
Grant for projects	102	12
Reimbursement of expenses	139	43
Monies received from CBM Canada		
Funds for projects	1	-
Monies received from CBM UK		
Funds for projects	1	-
Monies received from CBM NZ		
Funds for projects	12	-
Monies received from CBM Germany		
Funds for projects	22	-
Monies Expensed to CBMeV:		
Reimbursement of CBM Australia expenses	4	14
Funds for transfer to international projects	17,051	14,308

Board Members

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.

The Board Directors (non-executive) act in an honorary capacity and do not receive any remuneration from the company.

Expenses Reimbursed	-	1
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CBM Australia

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Notes to the Financial Statements

For the Year Ended 31 December 2015

6 Related Parties continued

Other related parties

Jane Edge has been elected to the Board of Directors of Vision 2020 Australia on the 24th of November 2015 and CBM Australia is a member of Vision 2020 Australia.

	2015	2014
	'000	'000
	\$	\$
Membership contribution, global advocacy contribution and other expenses paid to Vision 2020 Australia	142	126

Other than the above, CBM Australia has no related party transactions. No key management personnel or Board Directors of CBM Australia has received, or is entitled to receive a benefit arising from any contract that has been made with CBM Australia during the year ended 31 December 2015 or at any other time.

7 Cash and cash equivalents

Cash at bank		1,407	139
Cash management accounts	(a)	1,422	4,195
		2,829	4,334

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

8 Trade and other receivables

CURRENT

Trade receivables	(a)	85	36
Sundry receivables	(b)	475	226
GST receivable		-	246
Prepayments	(c)	245	832
Total current trade and other receivables		805	1,340

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Notes to the Financial Statements

For the Year Ended 31 December 2015

8 Trade and other receivables continued

(a) Trade Receivables

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

(b) Sundry receivable

Sundry receivables includes franking credits to be received in 2016 and other sundry amounts received post balance date.

(c) Prepayments

Prepayments included a number of services contracted prior to the end of the financial year for activities related to the next financial year.

9 Financial assets

CBM Australia's exposure to credit, currency and market price risks related to its available-for-sale assets is disclosed in Note 11.

	2015	2014
	'000	'000
	\$	\$
CURRENT		
Available-for-sale Financial Assets	18,316	18,618
Held-to-maturity financial assets		
Term Deposits	<u>3,322</u>	979
Total current financial assets	<u><u>21,638</u></u>	<u>19,597</u>

Available-for-sale Financial Assets comprise:

Fixed Interest Securities including corporate bonds, convertible notes, hybrid securities, domestic and international managed funds. These have various coupon rates ranging from 3% to 6%. The bonds have maturity dates from June 2016 through to August 2023. The market value of these securities fluctuates from time to time.

Investment trusts which are managed by third parties on behalf of CBM Australia and other investors. The trusts hold a variety of investments which generate a return based on income from those investments and changes in market value of the investments. CBM Australia's investments in trusts can be redeemed on an at-call basis at the market value of the investment at the date of redemption less certain fees and charges.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

9 Financial assets continued Held to Maturity Financial Assets

Held to maturity financial assets comprise bank term deposits. These are typically held for specific purpose to enable CBM Australia to accurately account for income earned from monies received. These include Perpetual Trusts (see Note 1(l)) and money received in advance from government and other agencies.

10 Other current assets

	2015 '000 \$	2014 '000 \$
Prepaid project advances	56	165
	<u>56</u>	<u>165</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 2015, the account had a positive funds balance as detailed above.

11 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, 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 2015.

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 Director of Corporate Services and the Chief Risk Officer 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.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

11 Financial Risk Management continued

Foreign currency risk:

Where possible, CBMeV enters into hedging contracts on behalf of CBM Australia to minimise foreign exchange exposure. Where it is not possible to hedge into a currency, CBM Australia bears the full exchange risk in order to ensure projects are not disadvantaged.

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:

		2015	2014
		'000	'000
		\$	\$
Financial Assets			
Cash and cash equivalents	7	2,829	4,334
Loans and receivables (GST receivable excluded)	8	805	1,094
Available-for-sale financial assets	9	18,316	18,618
Term Deposits	9	3,322	979
Other Current Financial Assets	10	56	165
Total financial assets		25,328	25,190
Financial Liabilities			
Trade and other payables	13	664	1,295
Total financial liabilities		664	1,295

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 amortised cost.

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Notes to the Financial Statements For the Year Ended 31 December 2015

12 Property, plant and equipment

	2015 '000 \$	2014 '000 \$
LAND AND BUILDINGS		
Opening cost	6,635	6,613
Additions during the year	76	21
Transfers from capital work in progress	7	-
Total land and buildings cost	6,718	6,635
Opening accumulated depreciation	(1,903)	(1,691)
Depreciation expense	(217)	(211)
Closing accumulated depreciation	(2,120)	(1,903)
	4,598	4,732
CAPITAL WORKS IN PROGRESS		
Opening cost	73	-
Additions during the year	305	73
Transfers out	(24)	-
Total capital works in progress cost	354	73
PLANT AND EQUIPMENT		
Opening cost	1,040	1,086
Additions during the year	179	39
Transfers from capital work in progress	17	-
Disposals during the year	(104)	(85)
Total plant and equipment cost	1,132	1,040
Opening accumulated depreciation	(947)	(952)
Depreciation expense	(70)	(65)
Disposals during the year	97	70
Closing accumulated depreciation	(920)	(947)
	212	93
Total property, plant and equipment	5,164	4,898

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Notes to the Financial Statements

For the Year Ended 31 December 2015

12 Property, plant and equipment continued

Land & buildings is represented by CBM's office at 56 Rutland Road, Box Hill, Victoria 3128 (land and building cost \$6,635,000) and two plots of land donated in 2001 in NSW.

56 Rutland Road was independently valued in November 2013 at \$8 million. No revaluations have been made as land and buildings are held at cost less depreciation.

The plots of land in NSW are zoned Non Urban and no significant change in value will be realised until re-zoning and redevelopment takes place.

56 Rutland Road is held as security by Westpac bank for CBM Australia's overdraft facility with the bank and for its Corporate Credit Cards (the overdraft is \$1,200,000 and has not been drawn down at any point during the year). There were no liabilities to Westpac bank as at 31 December 2015.

13 Trade and other payables

	2015 '000 \$	2014 '000 \$
CURRENT		
Trade payables	532	1,080
Unsecured liabilities	132	215
	<u>664</u>	<u>1,295</u>

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

14 Other Liabilities

CURRENT

Grants and income received in advance

Department of Foreign Affairs and Trade	3,931	663
Other	132	153
	<u>4,063</u>	<u>816</u>

CBM Australia

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Notes to the Financial Statements For the Year Ended 31 December 2015

15 Provisions

(a) Employee entitlements

	2015 '000 \$	2014 '000 \$
CURRENT		
Provision for employee benefits: Long service leave	472	749
Provision for employee benefits: Annual leave	500	492
	<u>972</u>	<u>1,241</u>
NON-CURRENT		
Provision for employee benefits: Long service leave	181	138
Total provision for employee benefits	<u>1,153</u>	<u>1,379</u>

(b) Analysis of total provisions

Opening balance at 1 January 2015	1,379	1,379
Additional provisions raised during year	266	729
Amounts used	(492)	(729)
Balance at 31 December 2015	<u>1,153</u>	<u>1,379</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.

16 Capital and Leasing Commitments

Operating Leases

- not later than one year	47	47
- between one year and five years	-	47
	<u>47</u>	<u>94</u>

Operating leases consist primarily of office printing equipment.

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Notes to the Financial Statements

For the Year Ended 31 December 2015

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 CBM Australia, the results of those operations or the state of affairs of the CBM Australia in future financial years.

18 Contingent liabilities

There are no known contingent liabilities at 31 December 2015.

19 Committed Funds

	2015	2014
	'000	'000
	\$	\$
Committed Funds - General	18,606	16,241
Movements during the year		
Opening balance	16,241	14,608
Transferred from retained earnings	2,365	1,633
Net movement during the year	2,365	1,633
Closing balance	18,606	16,241

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.

CBM Australia

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Notes to the Financial Statements

For the Year Ended 31 December 2015

20 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 2015 and the distributions in 2015 are as follows:

	2015	2014
	'000	'000
	\$	\$
P & A Favalaro Charitable Trust	40	40
Interest earned	1	2
Doug Sandell Trust	112	112
Interest earned	3	5

These funds Trusts are in 90 day notice accounts with variable interest rates.

21 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:

Surplus/(Deficit) for the year	(992)	3,785
Non-cash flows in result:		
- depreciation	287	276
- net (gain)/loss on disposal of investments	(1,168)	120
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	534	(937)
- increase/(decrease) in trade and other payables	(546)	664
- increase/(decrease) in provisions	(226)	1
- increase/(decrease) in other liabilities	3,246	(677)
Cashflow generated by (used in) operating activities	1,135	3,232

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Notes to the Financial Statements

For the Year Ended 31 December 2015

22 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.

No single appeal, grant or other form of fundraising for a designated purpose generated 10% or more of the company's international aid and development revenue for the financial year.

CBM Australia


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Responsible Entities Declaration

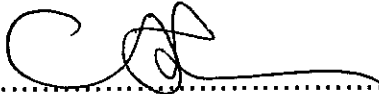
The directors of CBM Australia declare that:

1. The financial statements and notes, as set out on pages 6 - 32, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* 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 2015 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.

This declaration is made in accordance with a resolution of the directors.

Director: 

Name: M. W. AUSTIN

Director: 

Name: Chris Groom

Dated 21 March 2016

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 2015, 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 responsible entities 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, the *Australian Charities and Not-for-profits Commission Act 2012* and the ACFID Code of Conduct 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.

CBM Australia

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Independent Audit Report to the members of CBM Australia

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

Auditor's Opinion

In our opinion the financial report of CBM Australia is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Saward Dawson

Saward Dawson Chartered Accountants

Peter Shields

20 Albert Street

Blackburn VIC 3130

Date: 21 March 2016

CBM Australia

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Appendix

For the Year Ended 31 December 2015

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Name	Qualifications and experience	CBM Australia Special responsibilities
Melvin William (Bill) Austin	<ul style="list-style-type: none">• BSc (Hons) Civil Engineering, Leeds University, 1973• MSc, DIC, Engineering Rock Mechanics, Imperial College, London University 1981• Fellow of the Australian Institute of Company Directors• CBM Australia Board Director since May 2008• Director of the CBM International Board	<ul style="list-style-type: none">• Chair, CBM Australia Board (since May 2011)• Member of the Board Development & Human Resources Committee• Member of the Finance & Audit Committee• Attends all Committees where possible
Timothy Budge Appointed by the Board of Directors on 17 August 2015	<ul style="list-style-type: none">• Bachelor of Science, Grad Dip Education, Monash University, 1978• Bachelor of Theology, MCD, 1993• Masters of Entrepreneurship & Innovation, Swinburne University, 2002	<ul style="list-style-type: none">• Member of the Programs Committee (part year)• Member of the Innovation & Community Engagement Committee (part year)
Shawn Choong	<ul style="list-style-type: none">• Bachelor of Medicine, Bachelor of Surgery, 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• Certificated Member of Governance Institute of Australia• CBM Australia Board Director since 21 May 2012	<ul style="list-style-type: none">• Chair of the Board Development & Human Resources Committee• Member of the Finance & Audit Committee

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Appendix

For the Year Ended 31 December 2015

Name	Qualifications and experience	CBM Australia Special responsibilities
Helen Green	<ul style="list-style-type: none">• Registered and General Obsteric Nurse (RGON)• Diploma in Management Studies• Bachelor of Social Science 1st class honours (Health Development and Policy)• Graduate of the Institute of Strategic Leadership• CBM Australia Board Director since May 2010• Chair CBM New Zealand Board• Director of the CBM International Board (part year)• Chair of CBM International Forum of Board Chairs (part year)	<ul style="list-style-type: none">• Member of the Finance & Audit Committee• Member of the Programs Committee
Christopher Groom	<ul style="list-style-type: none">• 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• CBM Australia Board Director since May 2009• Member of the CBM International Finance Committee (part year)	<ul style="list-style-type: none">• Chair of the Finance & Audit Committee• Member of the Programs Committee

CBM Australia

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Appendix

For the Year Ended 31 December 2015

Name	Qualifications and experience	CBM Australia Special responsibilities
Dale Sheppard	<ul style="list-style-type: none">• Bachelor of Applied Science, Disability Studies (Human Movement and Psychology), Deakin University, Melbourne, 2000• Graduate of the Australian Institute of Company Directors• CBM Australia Board Director since 21 May 2012	<ul style="list-style-type: none">• Chair of the Innovation & Community Engagement Committee• Member of the Programs Committee
Ben Smith	<ul style="list-style-type: none">• Bachelor of Social Work (Hons), University of NSW, 1991• Master of Public Health, University of Sydney, 1995• Doctor of Philosophy, University of Sydney, 2002• Graduate of the Australian Institute of Company Directors• CBM Australia Board Director since May 2011• CBM Australia delegate to CBM International Assembly	<ul style="list-style-type: none">• Chair of Programs Committee• Member of the Innovation & Community Engagement Committee
Karen Streckfuss	<ul style="list-style-type: none">• Master of Laws, Melbourne University, 2013• Bachelor of Laws (Hons), LaTrobe University, 1995• Bachelor of Arts, Melbourne University, 1989• Barrister and Solicitor of the Supreme Court of Victoria• Graduate of the Australian Institute of Company Directors• CBM Australia Board Director since 19 August 2014	<ul style="list-style-type: none">• Member of the Board Development & Human Resources Committee• Member of the Innovation & Community Engagement Committee

CBM Australia
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Appendix
For the Year Ended 31 December 2015

Meetings of Directors

During the 2015 calendar year, 17 Director's Meetings (including Committees) were held. Attendances, which include technology assisted attendances, were:

*Appointed to Board 17 August 2015

	Board		Finance & Audit Committee		Board Development & Human Resources Committee		Programs Committee		Innovation & Community Engagement Committee	
	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	3	4	2	2	2	2	0
Tim Budge*	1	1	-	-	-	-	1	1	1	1
Shawn Choong	4	4	5	4	4	4	-	-	-	-
Helen Green	4	4	5	5	-	-	2	2	-	-
Chris Groom	4	4	5	5	-	-	2	2	-	-
Dale Sheppard	4	2	-	-	-	-	2	2	2	2
Ben Smith	4	4	-	-	-	-	2	2	2	2
Karen Streckfuss	4	4	-	-	4	3	-	-	2	1