

**Credit Union Foundation Australia Grahame Mehrrens International Projects
Fund**

ANNUAL FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009

Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

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Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

Information on Trustee

Credit Union Foundation Australia Pty Limited is the Trustee of the Credit Union Foundation Australia Grahame Mehrrens International Projects Fund (the 'Fund').

Credit Union Foundation Australia Pty Limited is a wholly owned subsidiary of Cuscal Limited and its only activity is to act as Trustee of this Fund, Credit Union Foundation Australia Trust Fund and the Credit Union Relief Fund.

Information on the Directors of Credit Union Foundation Australia Pty Limited regarding their qualifications, experience and other directorships is set out below:

John Baistow BA, Dip Bus Stud, Dip CD, FAICD, MBA (Tech Mgt) FAMI

Appointed 7 December 2006

Experience:

Retired Senior Executive, CSIRO
19 years as a credit union director, 7 years as chairman

Special Responsibilities:

Chairman, Credit Union Foundation Australia Pty Ltd

Directorships in Other Entities:

Cuscal Limited
mecu Limited

Elizabeth Foster B. Bus (Accounting), FCPA, GAICD, MAMI

Appointed 30 October 2003

Ceased 1 November 2008

Experience:

Self employed accountant
23 years experience with Credit Unions both as a Director and in management

Directorships in Other Entities:

Credit Union Australia Limited, Director, Member of Board Audit and Risk Committee
Chair of Credicorp Pty Ltd

Other Declared Interests:

Nil

Tony Innes B.Ec, FCPA, GAICD

Appointed 1 November 2005

Resigned 20 November 2008

Experience:

Former Deputy CEO, Savings and Loans Credit Union (S.A) Ltd
24 years experience in Credit Union management

Directorships in Other Entities:

MINDA Inc., Director and member of the Finance and Investment Committee

Other Declared Interests:

Nil

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Information on Trustee (continued)

Ken Mutton Dip BA, Dip Fin. Services, FAMI

Appointed 5 April 2007
Ceased 1 November 2009

Experience:

Chief Executive, Swan Hill Credit Union Ltd
Chairman, Victorian Insight Committee
32 years experience in finance industry

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

John Paine Dip. Fin. Services AMI, MAIM, JP

Appointed 1 November 2006

Experience:

General Manager, Family First Credit Union Ltd
37 years experience in finance industry

Directorships in Other Entities:

Nil

Other Declared Interests:

Nil

Louise Petschler BA (Hons), MAICUD

Appointed 20 February 2008

Experience:

Chief Executive Officer, Abacus-Australian Mutuals Ltd
13 years experience in government and public relations
8 years experience in finance industry

Directorships in Other Entities:

Nil

Other Declared Interests:

Management Committee, Consumer Credit Legal Centre

Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

Information on Trustee (continued)

Peter Dowling BA, FCPA, FCA, FAICUD, OAM

Appointed 1 November 2008

Experience:

Former Ernst and Young Tax and Business Advisory Partner

Directorships in Other Entities:

Credit Union Australia Ltd

Paridian Property Development Fund Ltd

Superior Coal Ltd

Lexon Insurance Pty Ltd

SPYRUS Pty Ltd

VBNC 1,2,3,and 4 Co-op Research Centre for Integrated Engineering Asset Management

GDEH Investments Pty Ltd

Other Declared Interests:

Chair of the Compliance Committee Tolhurst InterFinancial Limited

Member of Sunshine Coast Regional Council's Audit Committee

Member of Queensland Transport's Audit and Risk Committee.

Queensland Honorary Consul elect for Botswana.

Tom Fidler MAICUD, Dip FS, FAMI

Appointed 1 November 2008

Resigned 12 February 2009

Experience:

Former Chief Executive Officer (12 years) Regional One Credit Union

40 years experience in finance industry

Directorships in Other Entities

Nil

Other Declared Interests

Nil

Kathryn Anne Skipper AOM, FAICD, FAIM

Appointed 18 February 2009

Experience:

Consultant in corporate governance and board dynamics; executive coach and mentor for executives and directors.

Extensive background in governance and sustainability; awarded an Australia Medal in the Order of Australia Awards for service to children and adults with disabilities in Australia.

Directorships in Other Entities:

Director - Savings and Loans Credit Union

Deputy Chair – South Australian Tourism Commission

Chair – Plan International – Australia

Chair –Royal District Nursing Service

Director – Aboriginal Foundation SA

Other Declared Interests:

Audit Committees - Member Merger and Acquisition Committee

Chair - Marketing Sub-Committee and Corporate Governance Committee

Board Committee Chair Corporate Governance and previously on Risk Management

Independent Auditor's Report to the Board of Trustees of Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

We have audited the accompanying financial report of Credit Union Foundation Australia Grahame Mehrstens International Projects Fund ("the Fund"), which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Trustee's declaration as set out on pages 8 to 24. In addition, we have audited the Fund's compliance with specific requirements of the Western Australia Charitable Collections Act 1946 ("the Act") and the Western Australia Charitable Collections Regulations 1974 ("the Regulations") as listed in Appendix A for the year ended 30 June 2009.

Board of Trustees' Responsibility for the Financial Report and Compliance with the Act and the Regulations

The Board of Trustees of the Fund is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and for compliance with the Act and the Regulations. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the Board of Trustees also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

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

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

Inherent Limitations

Because of the inherent limitations of any compliance procedures, it is possible that fraud, error, or non-compliance with the Act and the Regulations may occur and not be detected. An audit is not designed to detect all weaknesses in the Fund's compliance with the Act and Regulations as an audit is not performed continuously throughout the period and the tests are performed on a sample basis.

Any projection of the evaluation of compliance with the Act and Regulations to further periods is subject to the risk that procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Credit Union Foundation Australia Grahame Mehrrens International Projects Fund as at 30 June 2009, and of its financial performance, its cash flows and its changes in equity for the year ended on that date in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations);
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2;
- (c) the financial report agrees to the underlying financial records of the Fund, that have been maintained, in all material respects, in accordance with the Act and the Regulations as listed in Appendix A for the year ended 30 June 2009; and
- (d) monies received by the Fund, as a result of fundraising appeals conducted during the year ended 30 June 2009, have been accounted for and applied, in all material respects, in accordance with the Act and Regulations as listed in Appendix A.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Philip Hardy

Partner

Chartered Accountants

Sydney, 27 November 2009

APPENDIX A – WESTERN AUSTRALIA CHARITABLE COLLECTIONS REGULATION 1947

Significant Control Requirements

The financial management and fundraising activities of the licence holder should be conducted in accordance with, but not limited to, the following provisions of the Regulations:

Financial Management

- Monies received should be banked within seven (7) days of receipt in accordance with regulation 11(a);
- An asset register should be maintained in accordance with regulation 11(c);
- Every bank account should be operated by two (2) officers of the organisation in accordance with regulation 11(d);
- Investments should be in accordance with regulation 16 of *the Charitable Collections Amendment Regulations (1998)*.

Fundraising

- Monies received from collectors and fundraisers should be paid to the licence holder within fourteen (14) days of receipt in accordance with regulation 11(b) of the Regulations;
- Receipts should be completed for all monies received;
- The Income and Expenditure Statement should be sufficiently detailed to enable identification of all charitable collections received and the manner in which the collections have been dealt with;
- Fundraising expenses (i.e. salaries, wages, commissions and any professional fundraising fees) should be disclosed separately in the accounts;
- The licence holder should be collecting monies and goods, and should be disbursing those monies and goods, in accordance with the organisation's objectives.

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Trustee's Declaration

The financial report on pages 9 to 24 for the financial year ended 30 June 2009 has been prepared as required by the Trust Deed.

The auditors of the Fund, Deloitte Touche Tohmatsu, have been appointed by the Trustee in accordance with the Trust Deed and have conducted an audit of the financial report.

The Trustee declares that:

- a) in the Trustee's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- b) in the Trustee's opinion, the attached financial statements and notes thereto are in accordance with accounting standards and giving a true and fair view of the financial position and performance of the Fund; and
- c) the Fund has been conducted in accordance with the Trust Deed and has complied with all governing law.

Signed for and on behalf of the Trustee
Credit Union Foundation Australia Pty Limited



John Baistow

Director



Louise Petschler

Director

Sydney, 25 November 2009

Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

Income Statement

For the financial year ended 30 June 2009

	Notes	2009 \$	2008 \$
REVENUE			
Monetary and Non-Monetary			
Donations and Gifts	3	677,575	379,897
Legacies and Bequests		-	-
Grants			
AusAID	3	287,076	262,246
Other Australian	3	10,294	50,500
Other Overseas	3	70,493	83,806
Investment Income		34,978	48,901
Other Income			
Community Education Program	3	-	33,695
Other Project Services (Non Monetary)	4	292,822	310,735
TOTAL REVENUE FROM ORDINARY ACTIVITIES		<u>1,373,238</u>	<u>1,169,780</u>
EXPENSES			
Overseas Projects			
Funds to Overseas projects	5	938,696	636,206
Other project costs		-	-
Domestic Projects		-	-
Community Education		-	-
Fundraising Costs-Public		-	-
Fundraising Costs-Government, multilateral and private		99,021	66,140
Administration Expenses	6	26,182	4,133
Other Project Services (Non Monetary)	4	292,822	310,735
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		<u>1,356,721</u>	<u>1,017,214</u>
EXCESS OF REVENUE OVER EXPENSES FROM CONTINUING OPERATIONS		<u>16,517</u>	<u>152,566</u>

The above income statement should be read in conjunction with the accompanying notes.

Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

Balance Sheet

As at 30 June 2009

	Notes	2009 \$	2008 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	686,471	788,525
Other receivables	7	25,623	16,611
Non Current Assets			
Property, Plant and Equipment		-	-
Other		-	-
Total Assets		<u>712,094</u>	<u>805,136</u>
Current Liabilities			
Other payables	8	105,913	215,472
Provisions		-	-
Non Current Liabilities			
Payables		-	-
Other		-	-
Total Liabilities		<u>105,913</u>	<u>215,472</u>
Net Assets		<u>606,181</u>	<u>589,664</u>
Equity			
Retained Earnings		606,181	589,664
Reserves		-	-
Total Equity		<u>606,181</u>	<u>589,664</u>

The above balance sheet should be read in conjunction with the accompanying notes.

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Statement of changes in equity

As at 30 June 2009

Statement of Changes in Equity

	Retained Earnings	Reserves	Total
2009			
Balance as at 1 July 2008	589,664	-	589,664
Excess of revenue over expenses for the year	16,517	-	16,517
Amount transferred to Reserves	-	-	-
Balance as at 30 June 2009	606,181	-	606,181
2008			
Balance as at 1 July 2007	437,098	-	437,098
Excess of revenue over expenses for the year	152,566	-	152,566
Amount transferred to Reserves	-	-	-
Balance as at 30 June 2008	589,664	-	589,664

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Cash Flow Statement

For the financial year ended 30 June 2009

	Notes	2009 \$	2008 \$
Cash flows from operating activities			
Donations received		295,061	284,460
AusAID grants received		328,979	262,246
Specific Donations			
Cambodia Childrens Financial Literacy		85,089	-
Cambodia Leadership Challenge		49,065	-
Solomon Islands Womens Leadership		-	2,000
Other Amounts Received			
Pacific Credit Union Technical Congress		49,514	
Kokoda Challenge		54,900	-
Kokoda Challenge Fundraising		47,783	-
World Council of Credit Unions		68,525	58,901
Commonwealth Secretariat		1,968	24,905
Interest received		34,978	48,901
Community education fees		-	56,978
Sri Lanka Reconstruction Donation-Cuscal Limited		100,000	100,000
Corporate Sponsorships		10,230	30,500
Village Entrepreneur		64	-
Goods and Services Tax Rebate		4,227	-
Goods and Services Tax Payments		-	(14,397)
Fundraising expenses		(99,021)	(66,140)
Interest expense		-	(13)
Community education expenses		-	(31,115)
Solomon Islands Womens Leadership		(4,279)	(31,133)
Expenditure on projects - AusAID		(592,713)	(427,404)
-Other		(270,127)	(116,506)
Payments to suppliers		-	(1,620)
Sri Lanka Reconstruction Project		(97,640)	(93,720)
Net (reduction)/increase in Other Payables-Cuscal Limited		(168,657)	80,702
Net cash (used in) provided by operating activities	9 (b)	(102,054)	167,545
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(102,054)	167,545
Cash and cash equivalents at the beginning of the financial year		788,525	620,980
Cash and cash equivalents at the end of the financial year	9 (a)	686,471	788,525

The above cash flow statement should be read in conjunction with the accompanying notes.

Credit Union Foundation Australia Grahame Mehrrens International Projects Fund

**Notes to the Financial Statements
For the financial year ended 30 June 2009**

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Credit Union Foundation Australia Grahame Mehrstens International Projects Fund

**Notes to the Financial Statements
For the financial year ended 30 June 2009**

1. Adoption of new and revised Accounting Standards

In the current year, the Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

Standards and Interpretations issued but not yet effective

At the date of approval of the financial report, the following Standards and Interpretations were on issue but not yet effective:

AASB 101 'Presentation of Financial Statements (revised September 2007)	Effective for annual reporting periods beginning on or after 1 January 2009.
AASB 123 'Borrowing costs' and consequential amendments to other accounting standards resulting from its issue	Effective for annual reporting periods beginning on or after 1 January 2009.
AASB 2007-10 Amendments to Australian Accounting Standards arising from AASB 101.	Effective for annual reporting periods beginning on or after 1 January 2009.

These Standards and Interpretations will be first applied in the financial report of the Fund that relates to the annual reporting period beginning after the effective date of each pronouncement, which will be the Fund's annual reporting period beginning 1 July 2009.

Credit Union Foundation Australia Grahame Mehrtens International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2009

2. Significant accounting policies

Statement of Compliance

The financial report has been prepared at the request of the Trustee and has been prepared as a General Purpose Financial Report in accordance with Australian Accounting Standards and Interpretations (A-IFRS), and the financial reporting requirements of the Australian Council for International Development Code of Conduct. Compliance with A-IFRS ensures that the financial statements and notes of the Fund comply with International Financial Reporting Standards ('IFRS').

The financial statements were approved for issue by the Trustee on 25 November 2009.

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

Critical Accounting judgements and key sources of estimation uncertainty

Management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

a. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Receivables

Loans and receivables are measured at amortised cost (less impairment) using the effective interest method.

**Notes to the Financial Statements
For the financial year ended 30 June 2009**

2. Significant accounting policies (continued)

c. Impairment of Assets

(i) Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Other Assets

At each reporting date, the Fund reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

d. Contributions

All project contributions are recognised as revenue of the Fund in accordance with AASB 1004 *Contributions*, at fair value received or receivable.

e. Expenditure on projects

All expenditure on projects is recognised as part of operating expenditure of the Fund.

f. Retained earnings

All unexpended funds are recognised as retained earnings in the equity section of the balance sheet.

Credit Union Foundation Australia Grahame Mehrtns International Projects Fund

Notes to the Financial Statements For the financial year ended 30 June 2009

2. Significant accounting policies (continued)

g. Other project services

Other project services represent services provided to the Fund at no cost, which were essential to the provision of project services or for the administration of the Fund. They are recognised as revenue and expenditure at their fair value.

Fair value is determined as the cost which would have been expended to acquire the service. With respect to volunteers' services, the services contributed are valued at a standard daily rate as determined by the AusAID scale.

h. Goods and Services Tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST) except:

- i. Where the amount of GST is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables and payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

i. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Credit Union Foundation Australia Grahame Mehrtns International Projects Fund

**Notes to the Financial Statements
For the financial year ended 30 June 2009**

	2009	2008
	\$	\$
3. Non-interest revenue from ordinary activities		
Donations and gifts-Monetary		
Sri Lanka Reconstruction Project-Cuscal Limited	100,000	100,000
Other Australian Donations	295,061	279,897
Children's Financial Literacy-Cambodia	85,089	-
Cambodia Leadership Challenge	41,300	-
Pacific Credit Union Technical Congress	53,442	-
Kokoda Challenge	54,900	-
Pacific Development Funds	47,783	-
 Total Donations and Gifts-Monetary	 677,575	 379,897
 Grants		
AusAID	287,076	262,246
 Other Australian Grants		
Sponsorship-Cuscal Ltd	-	13,300
Sponsorship-Cuna Mutual Ltd	-	17,200
Office of Women Solomon Islands Womens' Leadership	-	20,000
Other Sponsorships	10,294	-
 Total Other Australian Grants	 10,294	 50,500
 Other Overseas Grants		
World Council of Credit Unions Inc. (USA)	68,525	58,901
Commonwealth Secretariat (U.K.)	1,968	24,905
 Total Other Overseas Grants	 70,493	 83,806
 Community Education Program	 -	 33,695
 Total non-interest revenue from ordinary activities	 1,045,438	 810,144
See Note 4 for Other Project Services		

Credit Union Foundation Australia Grahame Mehrtns International Projects Fund

**Notes to the Financial Statements
For the financial year ended 30 June 2009**

4. Other project services

	2009	2008
	\$	\$
These are represented by:		
<u>Project Costs</u>		
Staff payroll – Cuscal Limited	132,908	153,343
Volunteers	55,635	58,914
 <u>Administration Costs</u>		
Equipment, services and accommodation		
- Abacus Australian Mutuals Pty Ltd	12,206	13,437
- Cuscal Limited	92,073	85,041
 Total	292,822	310,735

Volunteers' services are recognised on the basis of time spent and represents 307 days (2008: 282 days).

5. Funding expenses

	2009	2008
	\$	\$
Funds to overseas projects		
AusAID projects	585,077	364,752
Sri Lanka Reconstruction Project	97,640	92,700
Financial Literacy Program	38,449	18,656
Cambodia Leadership Challenge	43,676	46,325
Pacific Credit Union Technical Congress	50,666	6,582
Kokoda Challenge	50,943	-
Cambodia Building Project	54,219	-
Tonga	213	26,872
Solomon Islands Womens' Leadership	4,279	31,133
Cambodian Community Education Program	-	31,115
Other projects	13,534	18,071
Total Funds to overseas projects	938,696	636,206

Of the total amount disclosed, there is no accrued expenditure (2008: Nil)

6. Administration expenses

	2009	2008
	\$	\$
Audit of the financial report	2,500	2,500
Other expenses	23,682	1,633
	26,182	4,133

The auditor of the financial report is Deloitte Touche Tohmatsu.

Credit Union Foundation Australia Grahame Mehrtns International Projects Fund

**Notes to the Financial Statements
For the financial year ended 30 June 2009**

	2009	2008
	\$	\$
7. Other receivables		
Sundry Debtors	<u>25,623</u>	<u>16,611</u>
8. Other Payables		
Cuscal Limited	16,748	185,405
2009 AusAid Grant	41,903	-
Accrued staff expenses	17,544	4,284
Goods and Services Tax Liability	98	-
Accrued Audit Fees	2,500	2,500
Deferred Income	27,120	23,283
Total other liabilities	<u>105,913</u>	<u>215,472</u>
9. Notes to cash flow		
a. Reconciliation of cash and cash equivalents		
With Cuscal Limited:		
- Cash at bank	4,084	110,831
- Deposits at call	682,387	677,694
Total cash and cash equivalents	<u>686,471</u>	<u>788,525</u>
b. Reconciliation of excess of revenue over disbursements to net cash flow from operating activities		
Excess of revenue over disbursements for the year	16,517	152,566
Increase in receivables	(9,012)	(7,946)
Increase/(decrease) in payables	(109,559)	22,925
Net cash (used in) provided by operating activities	<u>(102,054)</u>	<u>167,545</u>

Credit Union Foundation Australia Grahame Mehrtns International Projects Fund

**Notes to the Financial Statement
For the financial year ended 30 June 2009**

10. Table of cash movements for designated purposes

2009	Cash available at 30 June 2008	Cash raised during 2008/2009	Cash disbursed during 2008/2009	Cash available at 30 June 2009
Purpose	\$	\$	\$	\$
Sri Lanka Reconstruction Project	7,300	100,000	(97,640)	9,660
Cambodia Children's Financial Literacy	-	85,089	(38,449)	46,640
Cambodia Leadership Challenge	-	49,065	(43,676)	5,389
Pacific Congress Conference	-	53,442	(50,666)	2,776
Kokoda Challenge Participation Fees	-	54,900	(50,943)	3,957
Cambodia Building Trust	-	68,525	(54,219)	14,306
Pacific Development	-	47,783	-	47,783
Other Purposes	781,225	676,409	(901,674)	555,960
Total	788,525	1,135,213	(1,237,267)	686,471
2008	Cash available at 30 June 2007	Cash raised during 2007/2008	Cash disbursed during 2007/2008	Cash available at 30 June 2008
Purpose	\$	\$	\$	\$
Sri Lanka Reconstruction Project	1,020	100,000	(93,720)	7,300
Cambodia Building Trust	76,713	-	(76,713)	-
Solomon Islands Reconstruction Project	12,141	-	(12,141)	-
Solomon Islands Womens' Leadership	18,000	13,133	(31,133)	-
Other purposes	513,106	822,064	(553,945)	781,225
Total	620,980	935,197	(767,652)	788,525

Credit Union Foundation Australia Grahame Mehrtms International Projects Fund

**Notes to the Financial Statement
For the financial year ended 30 June 2009**

11. Financial instruments disclosures

	2009	2008
	\$	\$
Carrying value:		
Cash at a Bank (at call)	4,084	110,831
Deposits at call	682,387	677,694
Total carrying value	686,471	788,525

Fair value

The Trustee considers that the carrying value of the Fund's financial instruments carried at amortised cost approximates their fair value because the application of fair value methodologies would result in only minimal changes to their carrying value, due to the short-term nature of the instruments.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The cash balance is exposed to movements in interest rates.

A sensitivity to a 0.5% increase or decrease in interest rates on average cash balances has been used as this represents management's assessment of the possible change in interest rates. A positive number indicates an increase in profit or loss while a negative number indicates an equal and opposite impact on the profit or loss.

Sensitivity Impact	Decrease 0.5%		Increase 0.5%	
	2009	2008	2009	2008
	\$	\$	\$	\$
Profit or loss	(3,805)	(3,722)	3,805	3,722

Credit risk

Cuscal Limited is an approved deposit taking institution regulated by APRA and is rated AA- (long term) and A1+ (short term) by Standard and Poor's. Accordingly, the Trustee believes that the accounts held with Cuscal Limited are subject to minimal credit risk.

Interest rate risk

The Fund is exposed to interest rate risk, should short term rates vary. As the Fund is cash positive, this exposure may cause interest revenue to vary.

Notes to the Financial Statements

For the financial year ended 30 June 2009

11. Financial instruments disclosures (continued)

Contractual undiscounted cash flows of financial liabilities

2009

	At Call	3 Months or less	3 to 12 months	1 to 5 years	Over 5 years	No Maturity Specified	Total
	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities							
Other payables		-	-	-	-	105,913	105,913
Total		-	-	-	-	105,913	105,913

2008

Financial Liabilities							
Other payables		-	-	-	-	215,472	215,472
Total		-	-	-	-	215,472	215,472

Liquidity risk management

The Fund manages liquidity risk by ensuring that its cash outgoings do not exceed its cash receipts and by maintaining a substantial cash balance, which includes effectively holding the majority of its equity in cash. Generally, all liabilities are paid within 30 days following the month in which such liabilities are incurred.

**Notes to the Financial Statements
For the financial year ended 30 June 2009**

12. Related party disclosures

(a) Directors

The following persons were directors of the Trustee during the financial year:

J Baistow
E Foster (Ceased 1 November 2008)
T Innes (Resigned 20 November 2008)
K Mutton
J Paine
L Petschler
P Dowling (Appointed 1 November 2008)
T Fidler (Appointed 1 November 2008; resigned 12 February 2009)
KA Skipper (Appointed 18 February 2009)

The compensation of the specified directors was nil (2008: nil).

(b) Service agreement

The Fund has entered into a general services agreement with Cuscal Limited (Cuscal). Under the terms of the agreement, Cuscal has agreed to provide the Fund with staff and back office support services (such as finance and administration, information technology, human resources, building occupancy, and related services). No charge is payable to Cuscal in respect of these services.

13. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected the operations, the results of those operations, or the state of affairs of the Fund in future financial years.

14. Additional information

Credit Union Foundation Australia Grahame Mehrtns International Projects Fund is a trust formed in Australia.

The registered office and place of business are both:
1 Margaret Street
SYDNEY NSW 2000