



**ANNUAL
REPORT**
2022-2023

Cufa

Table of **CONTENTS**

Introduction	01
Chair Foreword	02
CEO Foreword	03
Who We Are	04
Where We Work	04
CFL Cambodia	05
CFL PNG	07
Livelihoods Project	08
PNG Projects	09
GEDSI	11
ADB-funded projects	12
Our Supporters	14
Our People	14
Our Board	15
Financial Review	17

Cufa is a signatory to the ACFID Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity.

Cufa's core programs are funded by the Australian Government Department of Foreign Affairs and Trade (DFAT) through the Australian-NGO Cooperation Program (ANCP). Cufa maintains full accreditation status with DFAT in order to access this funding. We must uphold regular reporting and evaluation requirements, and our governance structures, policies, financial systems and development practices are regularly assessed by independent reviewers.



ACFID
MEMBER



Australian Government
Department of Foreign Affairs and Trade

CHAIR FOREWORD

Colette McInerney

It has been another major year of change and achievement for Cufa under our renewed operating culture and the leadership of the CEO. We have sustained impetus to drive essential business and cultural transformation through new donors, volunteers, staff members, and Board directors.

The launch in December of our ambitious three-year strategic plan has sharpened and focused our mission to build the economic resilience of vulnerable communities and individuals in the Asia-Pacific region. The Board has steered this plan forward during its regular meetings over the course of the year, including a major strategic retreat in June to take stock of progress and clarify fresh directions going forward.

In May, we farewelled a long-time Board member, *Jo Maloney*, and we take this opportunity to thank her for her several years of service during a significant transition period for Cufa. We also welcomed two new Board members over the course of the year: George Georgiades in May 2023, who leads the Commercial Finance function at Maurice Blackburn Lawyers; and our inaugural overseas-based director, Robert Aisi, in June 2023. Robert is based in PNG – one of our key partner countries – and brings an esteemed background including as former PNG Ambassador to the UN in New York. We have also reinvigorated two critical governance support bodies, the Audit and Risk Committee (ARC) and Business Development Committee (BDC), and engaged two new *ex-officio* members to support these important functions.

Cufa's reform agenda has provided a springboard for a successful range of new business capture, to expand our reach and impact in the region. Our impressive results as reported in this annual report reflects our greater access to diversified funding sources to enable our project delivery work.

The relaxation of international travel restrictions has enabled Cufa to resume full-scale engagement and mobilisation in our key operating countries of Cambodia and PNG. We have been excited to see the resumption of our TMBL corporate study tour in March to Cambodia, as well as host our major new donors, the Stephan Brothers, in PNG in May to support classroom delivery of our children's financial literacy project.

Looking ahead, Cufa's Board and management continue to chart new and exciting plans to grow and maintain our engagement, and I look forward to sharing updates with our supporters in respect to these potential developments in due course.

To my fellow Board members, our partners in the Australian government, the Credit Union and Mutual community of Australia, the Asian Development Bank, the UN, and supporters from the Australian public, I say thank you for your ongoing support during this year, it is greatly appreciated.



CEO FOREWORD

Darian Clark

The Cufa team can be rightfully proud of our efforts in the past year to support the ongoing regional recovery from the pandemic's devastating economic impact. New challenges have further emerged in the form of a low growth and high inflation context, reinforcing the relevance and importance of our mission to support the economic resilience of vulnerable communities.

Our country offices in Cambodia and PNG have underpinned our strong performance, and we have renewed our leadership and management capability to support more effective implementation of our micro-enterprise development and financial literacy projects.

In PNG, we have reached almost 1,350 beneficiaries through our range of donor-funded activities in Port Moresby and Bougainville, exceeding our target of 790 beneficiaries. This speaks to the demand for, and interest in, our activities. We are now actively expanding our Children's Financial Literacy (CFL) project after a highly successful pilot in the first half of the year, seeking to triple our target student numbers at both the primary and secondary school level. This has only been possible through the generous support of the Australian Government Department of Foreign Affairs and Trade (DFAT) as well as private donors. Indeed, I was honoured to host Joe and James Stephan, who operate an independent financial advisory firm in Melbourne, in Port Moresby in May where they joined our trainers to lead some dynamic classroom workshops.

In Cambodia, we have built on our strong track record of impact through our CFL work. We reached 6,265 children in the two provinces of Kampong Chhang and Svay Rieng, as well as through our new Phnom Penh-based partner, The Cambodia Children's Fund (CCF). In addition, we conducted 668 home visits, reaching 2,229 students and their parents. To support the schools where we teach our program, we organised 20 teacher training workshops, engaging with 183 teachers. We further conducted 8 study tours with local community saving banks across the two provinces, involving some 1,000 students. In March, we also resumed our annual study tour for staff from our major corporate donor, Teachers Mutual Bank Limited (TMBL). The previous tour was held in March 2020 right before COVID hit! I accompanied part of the study tour and enjoyed the insights and exchanges with the eight TMBL staff involved in this life-changing experience.

Cufa has continued to leverage partnerships and embrace collaboration to scale up our impact and reach. One notable development is the engagement of three Australian Volunteer Program (AVP) deployees: two in PNG and one in Cambodia. These deployees are engaged on a full-time basis over 6 months, and they have helped to introduce both fresh perspectives and new connections in our local-led teams. We also host rolling interns from Adelaide and Monash universities respectively, and convened a one-year celebration event with Monash University staff and interns in June while in Melbourne for a Board strategic weekend. We have been further privileged to host an inaugural PhD intern from Adelaide University, to lead an impact evaluation of our livelihoods work in Cambodia. Given the ongoing deterioration in the security and political environment in Myanmar, we made the difficult but necessary decision to conclude our operations there in late 2022. We ensured that staff welfare and risks were managed carefully during the close-out process.

With your support and our growing base of followers on our social media channels, Cufa is going from strength to strength. Like all charities, cost-of-living issues facing mainstream Australia have nonetheless presented headwinds to our donation base. We remain sensitive to this context, and harness Cufa's available resources responsibly and sustainably to achieve our critical mission.



Who We Are

- A non-profit organisation established in 1971 to help communities across the Asia-Pacific region alleviate poverty
- Supports financial literacy education, micro-enterprise development, and employment in addition to investment in community-owned financial institutions
- Focuses on financial literacy and inclusion, which speaks to our twin outcomes:
 - (1) Economic empowerment programs promote opportunities for rural growth and impact investment
 - (2) A portfolio of dynamic and inclusive programs builds the foundations of strong local communities
- Aims to empower communities to address intergenerational poverty by:
 - cultivating sustainable financial habits through financial literacy programs
 - strengthening financial access by developing credit unions
 - equipping entrepreneurs with the means to pursue meaningful employment
- Promotes economic development that is more critical than ever in the face of the fall-out from COVID across our region

Our Values



Our Mission

We embrace a 3-pillar approach of:

- (1) Earn: through microenterprise and livelihood programs
- (2) Save: through financial literacy
- (3) Invest: through access to digital tools and diverse finance sources



Our Vision

For communities to be resilient and self-supporting across the Asia-Pacific region



Our Values

Resilient, collaborative, respectful and inclusive

Where We Work

- Australia
- Cambodia
- PNG + Bougainville
- Bangladesh
- Philippines
- Indonesia
- Lao PDR
- Vietnam
- Kiribati

Children's Financial Literacy Program CAMBODIA



Cufa's Children's Financial Literacy (CFL) Program has been operating in Cambodia since 2008 with the support of Teachers Mutual Bank Limited as well as the Australian Government Department of Foreign Affairs and Trade.

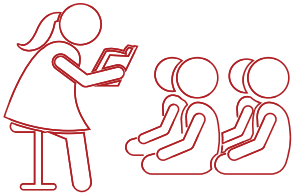
The CFL program has four expected outcomes. Children develop a strong understanding and positive relationship with money. Children build strong saving habits. Children are familiar with financial literacy concepts. Children apply their learning by saving regularly and establishing short- and long-term saving goals.

The CFL program aims to educate children on the value of saving and building good spending habits, learning the importance of money and how to budget, as well as the utility of credit unions. This information is also relayed to the parents, enabling whole families to encourage each other to improve their financial health and ensuring that credit unions empower the communities to alleviate poverty.



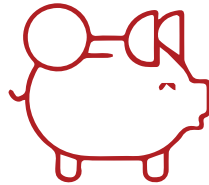
In 2022-2023, Cufa continued to build on our strong track record of reach and impact in Cambodia.

YEARLY SNAPSHOT: 2022-2023



6,265

children received financial literacy training



3,954

children started saving



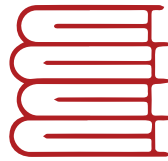
183

teachers received training through teacher training workshops



20

school teacher training workshops



5,059

financial literacy lessons held in 20 school



668

home visits to students and their family members



Children's Financial Literacy Program PNG

One of Cufa's first projects upon returning to Papua New Guinea in 2022 was a pilot Children's Financial Literacy Program. Reaching more than 300 primary students in three schools across Port Moresby, the program doubled its original target, showing the strong interest and need for quality financial literacy training amongst Papua New Guinean youth in the National Capital District. The program also incorporated three teacher training workshops, which supported the educators to understand the lesson plans, and contribute to the adaptation and localisation of Aflatoun's Financial Literacy Curriculum. Thanks to the success of the program, Cufa will continue and expand the project in 2023 and 2024, aiming to reach 900 primary students across six schools in Port Moresby.



Livelihoods Project

Established in 2019, Cufa's Cambodia Livelihoods Program has focused on poverty reduction, targeting rural areas with a strong emphasis on creating opportunities for women and women with disabilities in partnership with local organisations of persons with disabilities. In helping to establish new micro enterprises (MEs), Cufa used community consultations, adopting an Asset Based Community Development (ABCD) approach to promote commitment and identify strengths/assets, and needs/challenges. The program increased the capacity of rural micro-entrepreneurs to

strengthen their businesses in three key ways: operations, financial management, and marketing and sales.

By helping to increase financial literacy, the program builds community resilience, and ability to withstand changes in financial circumstances and economic shocks. The program emphasised sustainability to ensure that communities were free of plastic waste, and Cufa's Community Social Enterprises (CSE) adopted reusing practices. Evaluation for this project is planned in the first quarter of 23/24.



Program grew from **5** to **13** CSEs



Seed funding provided to **67** new micro-enterprises



72 training sessions conducted for **1,951** new and existing micro-enterprises



78 financial literacy training sessions conducted with **2,577** participants



Papua New Guinea Projects

Cufa had a successful return to PNG in 2022, delivering numerous projects providing financial literacy and micro-enterprise development training to diverse communities in the National Capital District (NCD), and the Autonomous Region of Bougainville (ARoB).



Port Moresby, National Capital District

Business Accelerator Program

Cufa's Business Accelerator Program, funded by DFAT, provided intensive micro-enterprise training and support to 26 women between March-April 2023. Through targeted development in essential financial skills (financial literacy, budgeting techniques, and accessing

credit), and business management (marketing, planning, customer relations, and registration), participants built the confidence and practical knowledge to begin investing in their own futures.

Entrepreneur Accelerator Program

More than 25 women participated in the UNDP-funded Entrepreneur Accelerator Program from October to December 2022, learning about the fundamentals of business and entrepreneurship, in addition to how they can digitise their programs, and grow their customer bases online. Participants received mentoring from existing Papua New Guinean entrepreneurs, and start-up capital was provided upon successful course completion to assist in kick-starting their Micro, Small, and Medium-Size Enterprises.



ARoB

Innovative Training for Women Entrepreneurs

Bringing Cufa’s renowned financial literacy and micro-enterprise development training to Bougainville, more than 250 women joined one of two multi-day workshops in September 2022, and March 2023, expanding their practical skills, and theoretical knowledge

on their entrepreneurship journey. More than 60 women opened a business or personal bank account, and many more built and strengthened their market connections within their communities.

Pathways to Inclusive Learning

Working exclusively with Persons with Disabilities (PWD) and their carers, the Pathways to Inclusive Learning project also brought Cufa’s financial literacy and social enterprise development to new communities in the region. Through a collaboration with the Bougainville Disabled Persons Organisation, more than 270 people joined one of three multi-day workshops between August 2022 and March 2023, with many opening a bank account for the first time, or registering their businesses with the Investment Promotion Authority.

Youth Associations Livelihood Learning and Doing

Beginning in April 2023, the Youth Associations Livelihood Learning and Doing program is an ongoing region-wide project, providing a range of training and support to build the capacity of young people in Bougainville. Cufa is working with four Youth Associations in Kiera, Arawa, Selau Suir, and Wakunai, and after providing micro-business and financial literacy training to more than 100 participants so far, will next deliver technical livelihoods training, and peer-to-peer and general civic education in 2024.



GEDSI Project

From July 2022 to June 2023, CUFA made a number of significant strides towards operationalising its commitment to Gender Equality, Disability and Social Inclusion (GEDSI), and embedding GEDSI principles and practices across its program cycle.

At the organisational level, CUFA has updated its Strategic Plan for 2023-2025 to include comprehensive gender equality and disability inclusion action plans to reach its goal by June 2025. Coordination and accountability mechanisms have been established to promote and track progress on GEDSI during this period. Based on a capacity needs assessment of the current knowledge and training needs of CUFA staff, the rollout of GEDSI-related capacity-building training has begun with staff in Cambodia and PNG. CUFA also developed a GEDSI Toolkit that provides an overview of key concepts such as gender equality and disability inclusion.

At the project level, work is underway to implement CUFA's commitments to GEDSI throughout the project cycle, guided by the above commitments and action plans. For example, CUFA has developed community



event guidelines for the staff on how to consider and improve accessibility, and reasonable accommodation and assistance in community events. In Cambodia, Cufa's GEDSI Specialist has been providing on-the-job coaching to field staff and support to programs to integrate GEDSI commitments throughout implementation. There has also been strong progress in establishing relationships with organisations of persons with disabilities (OPDs). Programs in both Cambodia and PNG have integrated disability inclusion and gender equality training with community members to improve understanding and awareness of related issues in their communities. In terms of monitoring and reporting, progress has been made on disaggregating data by gender and disability and collecting case stories that portray women and people with disabilities as agents of change in their own development.

ADB- Funded Projects

Climate Resilient Farming (CRF) Project in Bangladesh

Cufa has made significant progress in delivering the ADB Climate Resilience Capacity Building for Women in Poultry and Fish Farming project. With an aim of increasing the capacity of female smallholders and empowering their involvement in the poultry and aquaculture sector in Bangladesh, Cufa will help to build the capacity of 5,400 women poultry and 3,600 women fish farmers between May 2022 and December 2024. As of June 2023, a total of 1,725 women farmers have received financial literacy training. Almost 870 women farmers have received training on climate resilient broiler farming best practices, and more than 850 on climate resilient fish farming best practices.



Review of ASEAN Guidelines on Disaster Responsive Social Protection

Since May 2022, Cufa has been delivering the ADB-funded project, Implementation of Disaster Responsive Social Protection to Increase Resilience at the local level (AGDRSP). The AGDRSP has three outputs: (1) building capacity of 10 women-led civil society organisations (CSOs) from five ASEAN countries in disaster responsive social protection based on the community-based disaster risk management (CBDRM) approach; (2) helping the CSOs build a network among themselves that will spearhead the promotion of disaster-responsive social protection in the region; and (3) developing recommendations for implementation of disaster responsive social protection at the local level across the ASEAN member states. In April 2023, Cufa convened a highly successful in-person workshop in Manila and two virtual workshops, bringing representatives from the 10 CSOs together to discuss gender mainstreaming and livelihoods.

IDPoor Evaluation

Cufa is delivering an ADB-funded evaluation of Cambodia's 'IDPoor program', which was established in 2006 to facilitate poor households' access to healthcare services.

The program has since broadened to provide a mechanism for households to receive a range of social assistance. Highlighting the key findings on the program's performance and achievements should guide future programming decisions for IDPoor, as well as broader poverty reduction and social protection initiatives. Extensive field work for the evaluation was undertaken between May and June 2023, and report preparation is now well advanced.

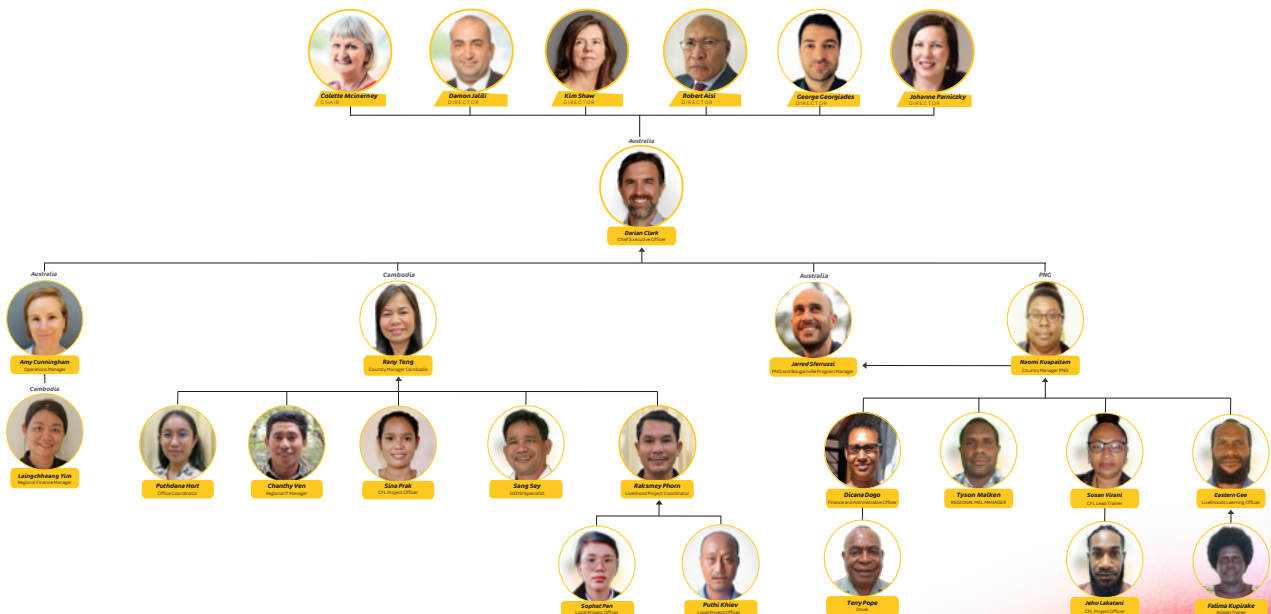
OUR Supporters



OUR People



ORGANISATIONAL CHART



OUR Board

The following were Directors of Cufa Ltd during the whole of the 2022-2023 financial year, and up to the date of this report: Colette McInerney (Chair), Damon Jalili (Deputy), Kim Shaw, Johanne Parniczky, George Georgiades and Robert Aisi. Johanne Maloney resigned from the Board in February 2023, and George Georgiades was appointed in April 2023 and Robert Aisi in June 2023.



COLETTE MCINERNEY, CHAIR

Colette joined Cufa board in August 2018

With more than 20 years experience in leading NGO in Australia and internationally, Colette brings a unique synthesis of effective and respectful leadership skills and practical experience gained through roles as the Laos-based Country Director for a global NGO, CEO of an Indigenous financial inclusion foundation, and strategic public-private partnership manager.

Colette has extensive knowledge and expertise in female-centred economic development programs, microfinance and financial inclusion and is a highly skilled fundraiser and strategic stakeholder management advisor.



DAMON JALILI, DIRECTOR

Damon joined the Cufa board in June 2020

Damon is a government relations and strategic communications specialist with more than 20 years experience in designing and delivering government relations, strategic communications and social research programs for high profile clients in Australia and internationally.

He has experience in Federal Government working for the Finance Minister as well as on multiple federal and state political campaigns. Damon is the owner and Principal of Christmas Jalili, a public affairs, strategic communications and social research advisory consulting private sector organisations and industry groups on issues in business, finance and politics. Prior to that, Damon was also a Partner and Head of the Government Relations Practice at Kreab (formerly Gavin Anderson).



KIM SHAW, DIRECTOR

Kim joined the Cufa Board in June 2022

Kim is a Principal Lawyer, Division Head Personal Legal Services and Executive Director with Maurice Blackburn Lawyers and has been with the firm for more than 30 years. Her legal expertise encompasses personal injury, superannuation and insurance, wills and estate planning. Her experience is combined with leadership, strategy development and governance as a division head and executive director. Maurice Blackburn is a social justice law firm that believes everybody deserves access to justice not just those who can afford it.

In addition to her experience at Maurice Blackburn, Kim has also been a committee member of an NGO supporting education for women and girls in Afghanistan; is chair of a Law Institute of Victoria Personal Injury Advisory Committee; and is a member of the RMIT JD Advisory Board in the Graduate School of Business and Law. She is also a member of the Australian Litigation Lawyers Alliance.



JOHANNE PARNICZKY, DIRECTOR

Jo joined the Cufa Board in June 2022

Jo is a senior executive with the Westpac Group with more than 20 years experience in Strategy, Transformation, Organisational Change, Operations and Risk Management across Financial Services and Aviation sectors.

Jo also supports the Westpac Foundation who help to build stronger, more inclusive communities by backing social enterprise creating jobs and supporting small and local charities making a difference in their local community.



GEORGE GEORGIADES, DIRECTOR

George joined the Cufa Board in April 2023

George is a Finance Executive, and is passionate about leading firms to deliver strong and sustainable financial results. He currently leads the Commercial Finance function at Maurice Blackburn Lawyers, guiding the firm through strategic investment decisions.

A qualified Chartered Accountant, George's early career started in External Audit at Deloitte, shifted to Internal Audit at one of Australia's leading health funds, and meandered into a range of transformational and analytical finance positions.

George is energised by CUFA unique approach to coordinating community-led assistance in the Asia Pacific region.



ROBERT AISI, DIRECTOR

Robert joined the Cufa Board in June 2023

Robert is Cufa's inaugural overseas-based Director. A lawyer by profession, with more than 20 years of experience mainly in the private sector, he was appointed to represent Papua New Guinea as Ambassador/Permanent Representative to the United Nations in New York from June 2002 to July 2015. In December 2015, Robert assumed the position of Executive Director for Public and Government Affairs at ExxonMobil (PNG) Limited from December 2015 until July 2020.

In August 2020 Robert established a new consulting firm in PNG. He consulted for ADB in 2021 and, more recently, worked on a USAID-funded project to establish the American Chamber of Commerce Coral Sea (AmCham Coral Sea) and now serves in a "ex-officio" capacity on the Executive Committee. Robert serves on several Boards of companies including ANZ PNG Limited, the Hunters Rugby Football League Inc., the CPL Foundation Inc and is the President of the Port Moresby Rotary for the 2023-2024 period.



FINANCIAL Review

CUFA Ltd

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

ABN: 14 163 481 329

Contents

	Page Number
Corporate Information	2
Responsible Persons' Declaration	3
Auditor's Declaration of Independence	4
Charitable Fundraising Declaration	5
Statement of Surplus/(Deficit) and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
1. General Information and Adoption of new and revised Accounting Standards .	10
2. Significant accounting policies	10
Independent Auditor's Report	22

Corporate Information

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of CUFA Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons were Directors (Responsible Persons) of CUFA Ltd during the whole of the financial year and up to the date of this report:

Colette McInerney
Damon Jalili
Joanne Maloney resigned 15 February 2023
Rachel Kim Shaw
Johanne Parniczky
George Georgiades appointed 4 April 2023
Robert Aisi appointed 3 June 2023
Amy Cunningham (Company Secretary)

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

Full Board

	Eligible	Attended	Held
Colette McInerney	9	8	9
Damon Jalili	9	9	9
Joanne Maloney	6	6	9
Rachel Kim Shaw	9	8	9
Johanne Parniczky	9	8	9
George Georgiades	3	3	9
Robert Aisi	1	1	9

Audit and Risk Committee

	Eligible	Attended	Held
Joanne Maloney	3	2	5
Rachel Kim Shaw	5	5	5
Johanne Parniczky	5	5	5
George Georgiades	1	1	5

Business Development Committee

	Eligible	Attended	Held
Colette McInerney	2	2	2
Damon Jalili	2	2	2
Johanne Parniczky	2	2	2
Robert Aisi	1	1	2

Registered street address and principal place of business

6/241 Commonwealth Street
Surry Hills NSW 2010, Australia

Banker

Westpac Banking Corporation

Auditor

PKF Brisbane

Responsible Persons' Declaration

The Responsible Persons declare that:

1. The financial statements and notes of the consolidated entity consisting of CUFA Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2023, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - a. Giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
 - b. Complying with Australian Accounting Standards - Simplified Disclosure requirements and Division 60 of the and the Australian Charities and Not-for-profits Commission Regulation 2013.
2. There are reasonable grounds to believe that CUFA Ltd is able to pay its debts as and when they become due and payable.

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

Colette McInerney

Colette McInerney
Chair



Damon Jalili
Director

Sydney, 16 November 2023

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012
TO THE DIRECTORS OF CUFA LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of CUFA Ltd and the entities it controlled during the year.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

BRISBANE
16 NOVEMBER 2023

Charitable Fundraising Declaration

I, Darian Clark, Chief Executive Officer of the consolidated entity consisting of CUFA Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2023 declare that in my opinion:

1. The Statement of Surplus/(Deficit) and Other Comprehensive Income for the year ended 30 June 2023 gives a true and fair view of all income and expenditure of the entity with respect to fundraising appeals;
2. The Statement of Financial Position as at 30 June 2023 gives a true and fair view of the state of affairs of the entity with respect to fundraising appeals conducted by the consolidated entity;
3. The provisions of the Charitable Fundraising Act 1991 (NSW) and the conditions attached to the authority have been complied with;
4. The internal controls exercised by the consolidated entity are appropriate and effective in accounting for all income received and applied by the consolidated entity from any of its fundraising appeals.



Darian Clark
Chief Executive Officer

Sydney, 16 November 2023

Statement of Surplus/(Deficit) and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	Consolidated 2023 \$	Parent Entity 2022 \$
REVENUE			
Management fees		-	529,600
Sales revenue	3	108,970	-
Donation and gifts			
- Monetary	3	112,007	-
- Non-monetary		-	-
Grant income			
- Department of Foreign Affairs and Trade	3	609,617	-
- Overseas grants	3	779,772	-
Other income	3	33,735	-
Profit on disposal of Foresters Community Finance		-	106,319
Interest income		9,240	3
In-kind	4	122,810	-
TOTAL REVENUE		1,776,151	635,922
EXPENSES			
International Aid and Development Expenditure			
International programs			
- Funds to international programs	5	1,920,888	-
- Administration		70,368	-
- Program support costs		103,936	-
Community Education		32,720	-
Fundraising costs			
- Public		145,472	-
- Government, multilateral and Private		62,309	-
Accountability and administration			
In-kind	4	122,810	-
Total International Aid and Development Expenditure		2,458,503	-
Australian personnel costs		439,414	517,925
Australian administration costs		25,175	11,675
TOTAL EXPENDITURE		2,923,092	529,600
(Deficit)/Surplus for the year		(1,146,941)	106,322
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,146,941)	106,322

The above Statement of Surplus/(Deficit) and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2023

	Notes	Consolidated 2023 \$	Parent Entity 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	10(a)	343,359	13,384
Trade and other receivables	7	222,931	138,944
Total Assets		566,290	152,328
Current Liabilities			
Trade and other payables	8	109,960	9,456
Provisions	9	21,099	29,724
Total Liabilities		131,059	39,180
Net Assets		435,231	113,148
Equity			
Retained surplus		1,582,172	6,826
Current year deficit		(1,146,941)	106,322
Total Equity		435,231	113,148

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Funds

For the year ended 30 June 2023

	Notes	Consolidated	Parent Entity
		2023	2022
		\$	\$
Balance at 1 July 2021			6,826
Surplus/(Deficit) for the year			106,322
Other comprehensive income			-
Balance at 30 June 2022			<u>113,148</u>
Balance at 1 July 2022 – initial consolidation	2	1,582,172	
Surplus/(Deficit) for the year		(1,146,941)	
Other comprehensive income		-	
Balance at 30 June 2023		<u>435,231</u>	

The above Statement of Changes in Funds should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2023

	Notes	Consolidated 2023 \$	Parent Entity 2022 \$
Cash flows from operating activities			
Management fee received		-	304,916
Donations received		112,007	-
Receipts from customers (inclusive of GST)		111,137	-
DFAT Grants received (inclusive of GST)		670,578	-
Other Grants received		309,848	-
Expenditure on DFAT projects		(1,045,607)	-
Expenditure on other projects		(499,574)	-
Expenditure on cost of sales		(94,466)	-
Expenditure on personnel and administration		(464,589)	(471,200)
Net cash provided by/(used in) operating activities	10 (b)	(900,666)	(166,284)
Cash flows from investing activities			
Interest received		9,240	3
Profit on disposal of Foresters Community Finance		-	106,319
Net cash provided by/(used in) financing activities		9,240	106,322
Net increase/(decrease) in cash and cash equivalents		(891,426)	(59,962)
Cash and cash equivalents at the beginning of the year		1,234,785	73,346
Cash and cash equivalents at the end of the year	10 (a)	343,359	13,384

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2023

1. General Information and Adoption of new and revised Accounting Standards

The financial statements cover the consolidated entity consisting of CUFA Ltd and the entities it controlled at the end of, or during, the year.

CUFA Ltd is a not-for-profit public company limited by guarantee, incorporated, and domiciled in Australia.

The consolidated entity has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

At the date of approval of the financial report, there were no Standards and Interpretations that were issued but not yet effective that will have a significant impact on the Financial Statements of the consolidated entity.

2. Significant accounting policies

Basis of preparation

The Directors resolved that CUFA Ltd is a reporting entity commencing from 1 July 2022, in doing so, the entity is required to comply with the recognition and measurement principles of all accounting standards, with the most significant change being the application of consolidation.

The financial statements has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, the Charitable Fundraising Act 1991 (NSW), Section 15(1) and 15(2) of the WA Charitable Collections Act 1946 and Regulations 1947, Australian Accounting Standards - Simplified Disclosure Requirements - and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

The consolidated entity adheres to the Australian Council for International Development (ACFID) Code of Conduct on Financial Reporting and meets the requirements set out in the ACFID Code of Conduct. The ACFID Code of Conduct prescribes the disclosure requirements of the financial statements. For further information on the Code please refer to the ACFID website www.acfid.asn.au.

The financial statements have been prepared on an accruals basis in accordance with the historical cost convention and are presented in Australian dollars, which is CUFA Ltd's functional and presentation currency.

Going concern

The Directors confirm that despite the consolidated deficit of \$1,146,941 for this financial year, the financial report has been prepared on a going concern basis due to several strategies that management have implemented. It is noted that the consolidated deficit includes several one off items in the consolidated deficit amounting to \$250,000 which are not expected to be recurring. After the one off items, the balance of the consolidated deficit for this financial year is \$896,941 which is made up of revenue of \$1,776,151 and recurring expenses of \$2,673,092.

Management have implemented significant cost reduction strategies in 2024 including closure of loss making offices and reduction in staff numbers as well as the addition of several new income streams. The result is that the 2024 budget is break-even and the cash flow forecast is positive, which confirms that the consolidated entity will continue as going concern for the next 12 months.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies.

Parent entity information

In accordance with the Corporations Act 2001, the financial statements for 2023 present the results of the consolidated entity. The parent entity information for 2023 and 2022 is included in note 12.

Principles of consolidation

The consolidation standard has been applied prospectively from 1 July 2022, and accordingly, the comparative financial information presented (as at and for the year ended 30 June 2022) relates to CUFA Ltd as a stand-alone entity.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of CUFA Ltd ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. CUFA Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of the subsidiary is accounted for using the acquisition method of accounting.

Overall considerations

The significant accounting policies that have been used in the preparation of the consolidated financial statements are summarised below.

Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the consolidated entity for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the consolidated entity's different activities have been met. Details of the activity-specific recognition criteria are described below.

The consolidated entity's services are supported by grants received from bilateral and multilateral donors. If conditions are attached to a grant which must be satisfied before the consolidated entity is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed, and at year end a liability is recognised until the services are delivered.

Revenue from a non-reciprocal grant or contribution that is not subject to conditions is recognised when the consolidated entity obtains control of the funds, economic benefits are probable, and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the consolidated entity receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Revenue from donations and other income is recognised upon receipt. This includes non-monetary volunteer hours in providing project services which are capable of reliable measurement and the fair value can be reasonably determined.

Interest income is recognised on an accrual basis using the effective interest method.

Operating Expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Operating leases

Where the consolidated entity is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The consolidated entity's business model for managing the financial asset,
- The contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The consolidated entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
 - financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and Other Receivables

The consolidated entity makes use of a simplified approach in accounting for trade and other receivables; it records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the consolidated entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The consolidated entity assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the consolidated entity's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The consolidated entity's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the consolidated entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using effective interest.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Income taxes

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Cash and cash equivalents

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

Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the consolidated entity can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

CUFA Ltd
ABN 14 163 481 329

Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

	Consolidated	Parent Entity
	2023	2022
	\$	\$
3. Revenue		
Sales revenue		
- Australia	98,970	-
- Overseas	10,000	-
	108,970	-
Donations and gifts - monetary		
- Australian donations	112,007	-
Grant income		
- Department of Foreign Affairs and Trade (Australia)	609,617	-
- Overseas	779,772	-
	1,389,389	-
Other income		
- Dividends from liquidation of Foresters Community Finance	30,069	-
- Other	3,666	-
	33,735	-
4. In kind		
- Volunteer services	122,810	-

Volunteer services are recognised based on time spent and represents 3,362 hours (2022: 706 hours).

	Consolidated	Parent Entity
	2023	2022
	\$	\$
5. Funds to international programs		
- Department of Foreign Affairs and Trade projects	770,145	-
- Asian Development Bank: IDPoor in Cambodia	340,996	-
- Asian Development Bank: Climate Resilient Farming in Bangladesh	261,369	-
- Asian Development Bank: Disaster Risk Management within ASEAN	171,984	-
- Asian Development Bank: Integrating Financial Education in Cambodia	92,262	-
- United Nations Development Program: Pacific Area Network in PNG	48,860	-
- United Nations Development Program: Enterprise Accelerator Program in PNG	91,356	-
- ABT Associates: Livelihoods Learning & Doing in Bougainville	58,067	-
- Global Affairs Canada – Canadian Local Fund Initiative: Pathways to Inclusive Learning in Bougainville	85,849	-
	<hr/> 1,920,888 <hr/>	-

	Consolidated	Parent Entity
	2023	2022
	\$	\$
6. Auditors' remuneration		
PKF Brisbane	12,000	-
	<hr/>	
7. Trade and other receivables		
Trade receivables	201,642	-
Security deposits	6,223	-
Prepayments	15,066	-
	222,931	-
	<hr/>	
8. Trade and other payables		
Trade payables	-	-
Accruals	117,988	9,456
GST payable/(receivable)	(8,028)	-
	109,960	9,456
	<hr/>	
9. Provisions		
Annual leave	21,099	29,724
	<hr/>	

	Consolidated	Parent Entity
	2023	2022
	\$	\$
10. Notes to cash flow		
a) Reconciliation of cash and cash equivalents		
- Cash at bank	289,154	13,384
- Cash on hand	54,205	-
	343,359	13,384

b) Reconciliation of cash flows from operations

(Deficit)/Surplus for the year	(1,146,941)	106,322
Non-operating items:		
- Less: Interest income	(9,240)	(3)
Movements in balance sheet:		
Decrease/(increase) in trade and other receivables	(222,931)	(58,170)
Increase/(decrease) in trade and other payables	384,002	(104,440)
Increase/(decrease) in provisions	94,444	(109,993)
Net cash used in operating activities	(900,666)	(166,284)

11. Controlled Entities

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in note 2:

	Consolidated
	2023
	\$
Credit Union Foundation Australia Pty Limited	100%
International Projects Fund Trust	100%
Credit Union Foundation Trust	100%

12. Parent entity information

Set out below is the supplementary information about the parent entity, CUFA Ltd.

Statement of Surplus/Deficit and Other Comprehensive Income

	Parent Entity	Parent Entity
	2023	2022
	\$	\$
(Deficit)/Surplus for the year	(252,858)	106,322
Other comprehensive income	-	-
	(252,858)	106,322

Statement of Financial Position

	Parent Entity	Parent Entity
	2023	2022
	\$	\$
Current Assets	50,193	152,328
Current Liabilities	189,903	39,180
Equity	(139,710)	113,148

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2.

13. Related parties

Related parties include the Key Management Personnel being the Directors of CUFA Ltd.

Directors are appointed on an honorary basis and are reimbursed for expenses incurred on behalf of CUFA Ltd.

The compensation of the specified Directors was nil (2022:nil).

There are no further transactions, outstanding balances, or commitments with related parties.

14. Subsequent events

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

15. Commitments

No commitments noted.

16. Contingent liabilities

No contingent liabilities noted.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUFA LTD

Report on the Financial Report

Opinion

We have audited the accompanying financial report of CUFA Ltd (“the Company”), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 of the company and the consolidated entity comprising the company and the entities it controlled at the year’s end or from time to time during the financial year.

In our opinion the financial report of CUFA Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) Giving a true and fair view of the consolidated entity’s financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – transition to reporting entity

We draw attention to Note 2 to the financial report, which outlines the transition of the company to a reporting entity in the current financial year, and the resultant prospective application of required accounting standards – including consolidation. The note also highlights the basis of comparative financial information disclosed in the financial statements. Our opinion is not modified in respect of this matter.

Other matter

The financial report of CUFA Limited for the year ended 30 June 2022 was audited by another auditor who expressed an unmodified opinion on that report on 22 November 2022.



Directors' Responsibilities 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 – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* 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.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

PKF

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann', written over a light blue horizontal line.

SHAUN LINDEMANN
PARTNER

16 NOVEMBER 2023
BRISBANE



SOCIAL CHANGE, SUSTAINABLE RESULTS



@CUFAorg



@CUFAOrg



+61 1300 490 467



CUFA.ORG.AU



Suite 12, Level 6/241 Commonwealth Street, Surry Hills NSW 2010